

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Special Meeting
Economic Development Workshop

March 1, 2013
8:30 a.m.-5:00 p.m.

Talaris Conference Center
Seattle, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson, and Councilmembers Balducci, Chelminiak, Davidson, Stokes, and Wallace

ABSENT: None.

The meeting was called to order at 9:00 a.m., with Mayor Lee presiding. All Councilmembers were present with the exception of Mr. Wallace, who arrived at 9:05 a.m.

Mayor Lee commented on how successful the City has been with economic development. He cited Microsoft's origins in Bellevue, as well as other local headquarters and prominent businesses. The Mayor noted, however, that there is growing competition, both internationally and with other cities in the region. He spoke to the need to be prepared, during the coming upswing in the economic cycle, to have a strategy and to be able to position ourselves when the opportunity strikes. Mr. Lee said it will be difficult for the City to know how to react without a collective vision.

Mayor Lee said he is happy that there are resources available to focus more strategically on economic development. He noted discussions at recent local forums about the advent of information technology and international trade as the new emphasis in the Northwest. With Bellevue's location and diverse population, the Council should develop a strategy and vision for moving forward.

To introduce today's economic development discussion, City Manager Steve Sarkozy distributed preliminary topline results for the 2013 Performance Survey and comparisons to 2010, 2011, and 2012. He walked through the results for the following indicators:

- Bellevue as place to live,
- Overall quality of life,
- Overall quality of services,
- Headed in the right direction,
- Citizens receiving money's worth in City tax dollars,
- Neighborhood as place to live, and
- Strong sense of community.

Mr. Sarkozy said Bellevue is perceived as a high quality community, and the sample set for the most recent survey is more diverse than in past.

Chris Salomone, Director of Planning and Community Development, reviewed the agenda and described the content of a number of posters arrayed around the room. He explained that, at the conclusion of the discussion, staff will seek Council's preliminary direction about whether to pursue a number of projects and programs.

Building on the City's prior success, the question was posed about what type of community we want Bellevue to be. What are the unique qualities that we want to emphasize?

Councilmember Davidson noted the need for a vision with a 20-30 year horizon. Instead of focusing solely on Bellevue, he feels the Council should be looking at the vision for the entire Eastside. He believes there continue to be rezone opportunities to foster development. He encouraged an emphasis on creating synergism within the Eastside rather than focusing on competition with neighboring jurisdictions. He noted that Seattle is not a central city based on geography, but Seattle is on the edge. Dr. Davidson observed that the center of the region continues to move toward the Eastside.

Mayor Lee suggested identifying the strengths of the Eastside, Bellevue, and of Seattle, and then leveraging the strengths. For Bellevue to be recognized, branding and marketing are important. Mayor Lee said the purpose of the discussion is to develop a strategy, vision, and plan for fostering economic development.

Councilmember Stokes would like to see Bellevue as a place for everyone in the community to participate in the process and in economic growth. With new opportunities in the Bel-Red corridor and Wilburton area, Bellevue can become an economic development leader on the Eastside without harming neighborhoods.

Mr. Salomone commented on staff's work to date including the study of a roadmap for an economic development strategy. Staff is hoping to get feedback on specific elements of the program at the end of this workshop. Mr. Salomone said the workshop is the abstract beginning of an economic development strategy.

Councilmember Wallace said the Council has had recurring discussions on economic development since 2009, and there was a Council subcommittee for some time that focused on economic development. He suggested referring back to any documentation available on those discussions. He said the City needs a plan, and he would like to provide an adequate budget to move forward with a focused plan.

Mr. Salomone said staff is ready to launch the plan and is seeking Council feedback on where we are and where we are going.

Dan Stroh, Planning Director, said feedback will help staff focus on where the entire Council would like to go. The decision tree at the end of the day will move the ball forward. Staff has

heard different ideas from Councilmembers about where the focus should be, and staff wants to be very strategic about identifying a subset of what could be done.

Councilmember Wallace said a vision is a data-driven analysis of strengths and weaknesses, similar to that developed by the Puget Sound Regional Council (PSRC). The results of the analysis are used to identify where to go with economic development.

Councilmember Balducci spoke to the Best Practices (Planning for Results – Recommended Plan Elements) poster on the wall and suggested that a good outcome for the workshop would be for the group to walk through that process. She said that approach makes sense to her.

Mr. Salomone said there are a variety of ways to develop an economic development strategy which is all things to all people. However, he is looking at strongly focusing on a smaller number of strategic goals and directing resources to accomplish those goals. He suggested that Bellevue is a strong retail center and strategic goals should address other areas that need further development.

Councilmember Balducci suggested including an environmental element (i.e., Bellevue is clean, tidy, safe, attractive to young people and knowledge workers, with an emphasis on livability and the natural beauty of its surroundings).

Dr. Davidson noted that, while his initial comments focused on geography, he feels that the driver to achieve the vision is economic development. However, the vision must consider the people.

Councilmember Chelminiak said he too would like to see a concrete action plan. Good work has been done at the regional level. Bellevue should look at where we are strong (i.e., business sector cluster, information technology, life sciences) and focus on growing those areas. He said it would be helpful to see the large maps of the clusters. He believes Bellevue should be doing more on transit and should protect neighborhoods. Bellevue was designed to attract the middle class and upper middle class.

Mr. Chelminiak said he would like a presentation on revisiting the City's neighborhood strategy. He said it is important to make the city work as well as it can with the given transportation system. He said there is a formula around the country for high-end cities that balances certain attributes (i.e., high wages, desirable amenities, low transportation costs, housing affordability).

Councilmember Stokes said there should be a strategy for redevelopment. Bellevue is changing from serving only high-end workers, and there is a need for service worker housing. Bellevue has a positive reputation for its shopping and parks/recreation. He said it is important to include the whole city in the analysis. There should be a direct strategy not to encroach on neighborhoods adjacent to the Downtown. Noting that it might be the northwest culture, he observed that the Council/City spends a lot of time planning and visioning. However, he would like to get to the point of targeted plans for implementation.

City Manager Sarkozy noted that direction from Council to staff at this point has been very diverse without common outcomes. The purpose of today's workshop is to identify and refine the Council's goals and to start to determine how to move forward on some of those items. He recalled that \$6 million has been set aside for the Council to consider for its economic development strategy.

Councilmember Balducci observed that economic development is often used to refer to commercial centers such as the Downtown, but she does not want to overlook the rest of the City's commercial areas (e.g., Crossroads). The neighborhood focus in the 1990s and into the early 2000s planted seeds that are now emerging. Ms. Balducci suggested both short-term and long-term objectives.

Deputy Mayor Robertson supports the need to maintain neighborhoods and to ensure equity among neighborhoods in City services (e.g., street sweeping, public safety services, parks acreage) and in fostering neighborhood businesses.

Mayor Lee believes the Council should focus on a few things at a time. He said the Council needs to be involved as a collective group and not as individual Councilmembers. The question is what staff needs from the Council to be able to march forward. The Council needs to provide clear direction to staff.

Mr. Salomone said there are a number of ways to approach this, and there are reasons to do a group discussion periodically. The world changes approximately every two years, and 66 percent of knowledge workers choose where they want to live first, and then find a job. He has found this abstract discussion to be helpful and understands the need to come back with a strategy. Staff will do additional work and get back to the Council.

Mr. Sarkozy is eager to get into the tactical side of this effort. He noted the Council's previous setting of audacious goals and what has been accomplished. He said the community survey results indicate that the City is on the right track. Mr. Sarkozy said staff recalibrates its work to meet the Council's needs.

Councilmember Stokes said an important goal is to continue to hit such high results with the citizens survey. This specific feedback will help the City to continue to move forward.

Mr. Sarkozy observed that the "headed in the right direction" results demonstrate that the City is no longer in the neighborhoods versus business mode, but has seemed to have found a balance. Bellevue has the potential to be a world class city but cannot move there if citizen feedback in the survey results is not high. Staff is trying to find the next elements to focus on to move to the next level. Mr. Sarkozy said staff wants to ensure they are clear about the Council's direction.

Councilmember Chelminiak spoke to the realization at an Annual Retreat at Alderbrook several years ago that the City should move forward with significant investments in infrastructure as the top priority. There was discussion at that time about perhaps calling for a public vote on more discretionary infrastructure. He suggested the Council take a new look at that.

Councilmember Balducci noted the need for clarity of purpose in responding to which of the Decision Tree paths to focus on. She suggested that “world class” and “next level” are not meaningful or focused. She believes the City needs to develop something more substantive and specific to describe Bellevue, and suggested that would push the City closer to fulfilling a vision.

Mr. Sarkozy said the challenge is to develop a short vision statement that describes world class in Bellevue terms.

Mayor Lee observed that the City wants to be the innovation hub of the Pacific Northwest or the world as a technology center, including mobile technology center. He perceives this as a clear goal and not just a vision. Then the City needs to develop an action plan.

Councilmember Davidson noted the need to overcome barriers and to invest in the infrastructure in advance to allow economic development to occur.

Deputy Mayor Robertson spoke to the need for both City and economic development mission statements. She said Bellevue can be a place to develop and nurture knowledge workers and to foster education. She said the arena proposal in the past was appealing in that it fostered the growth of local businesses and could function as high-tech conference center. A research center, four-year college, and connectivity project would foster the attraction of knowledge workers.

Councilmember Chelminiak said Bellevue is seeking innovation. As society moves further into the knowledge economy, there is a need to attract knowledge workers and innovators.

At 10:45 a.m., Mayor Lee declared a break.

The meeting resumed at 11:00 a.m.

City Manager Sarkozy initiated discussion on the list of potential economic development opportunities outlined for the day’s discussion. He questioned whether the Council agrees that these activities are appropriate and that staff should stay on track to pursue them.

- (1) **Attracting Technology/Research & Development Center** – This includes linking education (particularly around the cloud, mass storage, and other emerging technologies) and the business sector to the Bel-Red area. The intention is to spin off business start-ups and entrepreneurial activity. This objective would form a place for higher education and breaking edge technologies and attract creative individuals and businesses to the area. Mr. Sarkozy noted the need for capital to initiate these ventures. This could require amendment of the Bel-Red Plan and/or revenue assumptions.

There was Council consensus to pursue this objective as an important, current opportunity.

- (2) **Four-year Bellevue College** – This includes the development of a residential campus. Mr. Sarkozy said this presents opportunities for links to the Eastgate Plan. Bellevue College is exploring potential opportunities to site dormitories nearby, add structured

parking, and possibly add recreational components (e.g., pool, field house). Mr. Sarkozy suggested there could be opportunities to develop linkages with the University of Washington, including the Bothell campus, and R&D entities. This previously was not considered a top indicator for economic development. However, four-year education facilities are becoming a major engine for pursuing a vision.

Bellevue has established a Medical Institution district and is now expanding into life sciences and a medical center. A great deal of groundwork facilitated the development of these options.

There was Council consensus to pursue college expansion as a desirable goal and to consider opportunities for a recreational component.

Staff noted the need to determine how an auto dealership in the Eastgate area affects Bellevue College's plans.

- (3) **Community-wide Wireless Connectivity** – The group discussed the opportunity to utilize different technology to achieve the Council's long-term goal of a fiber/wireless/Wi-Fi network, with the purpose of developing a "technology city." The group discussed the development of a business model that presents alternate ways of delivering a variety of City services to take advantage of this technology.

Staff noted the need for a thorough vetting of privacy and security concerns, and the importance of having a plan in place for how to engage the community. It was determined that the first tier of services can be provided without incurring privacy concerns.

There was Council agreement to continue to explore this topic.

Reflecting on the list of items, it was noted that there is a need for the coordination of infrastructure planning and funding when advancing these initiatives. The Council also discussed that there is need to look at partnerships to assist with moving forward, particularly in the linkages between items 1 and 3 above.

At 12:20 p.m., the group broke for lunch.

The meeting resumed at 1:05 p.m.

Mayor Lee said Bellevue has great opportunities. He noted the convergence of the world into this region. He said he will be emphasizing comparisons to Singapore and Hong Kong. Bellevue has similar strengths but is a better city with better systems and the ability to attract new workers and residents.

Mayor Lee proposed the idea of a Silicon Summit in 2013 to engage thought leaders from all over the world on evolving trends in economic development, technology, and investment opportunities. The thought is that the Summit will help to showcase Bellevue and launch a process for the development of a Bellevue innovation cluster. The emphasis will be on mobile, cloud, and big data technologies. He believes that Bellevue can provide the platform for these

leaders to meet. Mayor Lee described details of the Summit including a core Leadership Team, timeline, and venue for this forum.

Councilmember Stokes questioned whether there is a date for this event and the City's role.

Mayor Lee feels the City should provide sponsorship for this event with an agenda of international trade. It will facilitate the developing relationship with Chinese and Indian companies who want to do business with Microsoft, Expedia, and other local companies. The conference would consider what kind of city Bellevue wants to be and the unique qualities to emphasize.

Tom Boydell, Economic Development Manager, spoke to use of this sort of conference as a recruitment tool. International companies tend to choose to take trips and attend conferences first, and to develop conversations as a later step, which is a different approach than U.S. companies.

Councilmember Stokes said this sounds like a private group's effort that will help to facilitate economic development. Mayor Lee said the group would like to see the City as a key sponsor. However, he characterized it as a conceptual idea.

Mr. Sarkozy said that type of effort could have value in highlighting Bellevue with regard to items 1 and 3 above. He said there is currently a massive flight out of California, particularly Silicon Valley, to the Northwest. This is due to significant change in their tax structure as Proposition 13 rolls off and a new structure takes its place. This presents an opportunity to sell Bellevue as a portal to the Pacific.

Councilmembers Chelminiak and Stokes asked how this fits into what Council and staff have been discussing today and how it would grow local businesses.

Mayor Lee believes the city should be the platform and major sponsor, and that this is to the city's benefit. He noted a suggested budget of \$200,000, which could vary depending on the City's level of involvement. There would be a need to seek contributions from major businesses.

Councilmember Chelminiak questioned how this will contribute to growing jobs.

City Manager Sarkozy said this could be the kickoff for a R&D venture. He envisioned individuals at this conference talking about Bellevue as the center of this high-tech region. He said it is an opportunity to market Bellevue's assets.

PCD Director Salomone said this reflects a transactional approach to economic development. He suggested that staff could develop a proposal regarding the Summit and bring it back to Council for discussion and a determination on whether this should be included in the economic development strategic plan.

Councilmember Wallace observed the need for a plan, schedule and budget. If the Summit fits into the plan and there is a budget, and there is agreement that this should be a high priority for

the use of the budget, the City could then move forward. The City does not currently have a plan, a priority, or a schedule.

Councilmember Stokes suggested that the Mayor come to the Council with a plan before the Council can make a decision.

There was Council consensus requesting that the Mayor bring back a plan for the Summit.

The group moved to a discussion of competition. Mr. Salomone distributed a handout, "Comparisons between Downtown Bellevue, Seattle CBD and South Lake Union," and spoke to the City's reasonable lease rates and work force that is comparable to California.

Mayor Lee questioned how Bellevue compares more broadly with other cities, for example, Austin, Texas.

Mr. Salomone said that competition with other cities outside of the state is not meaningful when they have economic development tools that are not available within Washington state. He said businesses in this state do not directly compete with them. He said one of Bellevue's advantages is that it is a smaller city with the ability to be more agile. Corporations have access to the Council and City Manager that is not available in all cities.

Council returned to discussing the list of potential economic development opportunities.

- (4) **Business & Occupation (B&O) Tax policy** – Based on discussions about attracting corporate headquarters facilities, staff looked at the impacts of a gross receipts tax on intellectual property. If Bellevue is seeking to attract headquarter offices of high tech companies, this possibly puts the City at a competitive disadvantage. Mr. Sarkozy said the State modified its tax policy to only tax intellectual property within the state and not globally. No cities have yet taken that approach. The Department of Planning and Community Development worked with the Finance Department to determine whether this might serve as a deterrent for locating knowledge-based firms, and found this may be the case. Staff suggested this is something that Council might want to consider.

Councilmember Balducci questioned the fiscal impact of a decision to make a change. She suggested this not be brought back as a standalone discussion topic without considerable context about what it means, where the loss of income might be made up, the deterrent impact, and how it fits into other taxing policies. There is a corporate headquarter in Bellevue now so one could conclude that it is not a deterrent.

Deputy Mayor Robertson observed that Bellevue is not at a disadvantage with respect to competition with other B&O cities because none of them have changed their rates. Dr. Davidson said Bellevue is competing with other areas around the country, however. Other Councilmembers noted that Washington state does not have an income tax or other taxes that exist in other areas.

Councilmember Chelminiak questioned who is more disadvantaged by taxing intellectual property. What are we competing for, and what advantage do we want to establish for that line of business?

Mr. Salomone noted that Bellevue would be the first city in the state to tax intellectual property. Mr. Sarkozy said that, as staff learns more about how Bellevue's tax code is differentiated from others, staff will provide additional information.

Planning Director Dan Stroh noted that tax policy is no longer a primary decision factor in locating businesses and corporate headquarters. He said the impact from royalty income is different than the way that other B&O gross receipts are treated. If the vision is to attract knowledge-based headquarters, especially large ones, staff wanted to look at the deterrent impact to that type of business.

Councilmember Wallace said it would be helpful to see some data, including the per employee tax for different types of companies. He suggested there could be some merit in tweaking the bottom of the scale by considering exemptions on a per employee basis and/or softening the impact for start-up companies.

Deputy Mayor Robertson and Councilmember Balducci suggested that, if there is a large corporation for whom this would be a significant deciding factor in locating in Bellevue, the matter could be brought to the Council to consider.

Mayor Lee summarized that a complete analysis is needed to properly consider this topic.

- (5) **Newport Hills Neighborhood Initiative** – Staff provided an update on the Lake Hills Shopping Center project, which is moving forward with occupancy targeted for November 2013. Staff explained that Newport Hills requires redevelopment as a mixed use site, but the ownership is risk averse. Staff described ideas that have been discussed.

The Council questioned whether the Newport Hills Shopping Center ownership might be willing to sell a portion of the property, or whether some other type of acquisition and/or rezone strategy might facilitate redevelopment. Staff believes that a case could be made for community revitalization.

Councilmember Chelminiak said he sees the need for community revitalization, which has not occurred to date when left on its own.

Councilmember Balducci suggested a tactic of communicating with the ownership about the loss of the ability to shop in the neighborhood and about concerns regarding blight. She suggested the consideration of some type of Land Use Code action.

Deputy Mayor Robertson said the City should enforce any safety or nuisance issues to ensure the property is kept to adequate minimum standards.

Councilmember Stokes opined that the current state of the shopping center is affecting the livability of and ability to enjoy the neighborhood. He said there are competing interests. There

is a responsibility to neighborhoods to make them viable and livable. Many Newport Hills residents would like to retire in place as they love the area, so housing on the shopping center site could be feasible.

Mr. Sarkozy said the Lake Hills Shopping Center redevelopment demonstrates the need for the appropriate combination of commercial property and residential property. The group discussed options that might include the City acting in a different role related to redevelopment or continuing to allow the free market to operate.

Councilmember Balducci observed that there is not a clear path. However, she would like the Council to remain engaged in considering options.

- (6) **Coordinated infrastructure planning and funding** – Mr. Salomone commented on the need for funding.

Deputy Mayor Robertson said some Councilmembers are interested in putting together a package to put before the voters on the 2014 ballot. She would like to consider this early enough if Council wishes to proceed.

- (7) **Wilburton opportunity** – This is on the list to remind the Council that there is interest in redevelopment in the Wilburton area including rezoning and the relocation of auto dealerships.
- (8) **EB-5 Investment Visas Regional Center** – These provide the opportunity to reposition Bellevue as an international business center. Tom Boydell, Economic Development Manager, displayed the web site BellevueCN.com and noted that related material is provided in the Council Retreat packet. He showed a video describing the EB-5 fast-tracked corporate visa program (employment-based visa). Mr. Sarkozy described how a EB-5 center might be used if the City is interested in exploring it.
- (9) **Transactional approach to Economic Development** – Mr. Salomone noted his understanding of a Council expectation that staff be more proactive and that staff bring proposals to the Council on an ad hoc basis. Examples are the case of the auto dealership facility in Eastgate and the Concur signage proposal. He noted that the Downtown Livability Initiative will address the issue of changing bonus programs, and he hopes the Council will continue to consider these types of opportunities, even if they are not scheduled in the work plan.

Councilmembers encouraged staff to continue to bring emerging opportunities before the Council.

Councilmember Stokes said there was a discussion at the Bellevue Downtown Association (BDA) breakfast recently about the upward trend in economic development opportunities in Bellevue right now.

Mr. Sarkozy noted the need to look at maintenance needs for Meydenbauer Center over the coming years, while at the same time they will be affected by construction activity related to light rail.

Councilmember Chelminiak said two positions are vacant on the Bellevue Convention Center Authority (BCCA) Board. Meydenbauer Center is working on its 20th anniversary, and debt service on the building is coming due over the next 10 years.

Councilmember Wallace would like to put Meydenbauer Center and the Metro site (next to City Hall) on the agenda for discussion in 2013. The group discussed holding another mini-Retreat in the fall.

Councilmember Davidson said a large convention is coming to town later in the year which will utilize Meydenbauer Center, the Hyatt, and a portion of City Hall.

Councilmember Chelminiak said he sees a difference between transactional and situational opportunities. He viewed the car dealership proposal as situational. His perspective is that transactional is more intentional and planned. He feels the City has grown so well because it follows well-considered plans.

Councilmember Balducci said she prefers to implement ongoing overall plans that have proven to be successful and are supported by the community. She noted that, in the interest of retaining auto dealerships, several ideas have surfaced. She believes this potentially ignores the long-term land use vision already in place.

Councilmember Stokes would like to maintain the flexibility for considering new opportunities that might benefit the City and community.

At 3:45 p.m., the group took a break and planning staff left the meeting.

The meeting resumed at 3:55 p.m.

3. Ethics Policy Discussion

City Clerk Myrna Basich and City Attorney Lori Riordan presented a draft outline of potential amendments to the City's ethics policy, including the work completed to analyze elements of other cities' ethics ordinances. These elements included:

- Applicability of the code (i.e., to Council only or to Council-appointed Boards, Commissions and Committees);
- Sample language describing the purpose of the ethics policy;
- The standards on which the ethics policy should rely (BCC 3.90.020 relating to City employees or other cities' ethics codes);
- Definitions of various key terms such as "interest," "family," or "relative" that have implications for the breadth of the policy;
- Types of prohibited conduct that might be addressed in the policy;

- Who may request an advisory opinion;
- Who provides the opinion on whether a conflict exists;
- The process for determining whether a conflict exists;
- How investigation of an allegation would be conducted;
- How/when a recommendation would be brought to Council; and
- The disposition of complaints and penalties.

Councilmembers asked questions about the implications of particular approaches, and directed staff to bring back a draft ethics code based on the Kirkland model for their consideration.

Councilmembers suggested that the Kirkland provisions relating to financial statements not be included in the draft code language. They asked that Kirkland's provisions for the acceptance of gifts, found in a separate document, be provided to Councilmembers.

At 4:52 p.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

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CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session
Budget Workshop

March 24, 2014
6:00 p.m.

Mercer Slough Environmental Education Center
Bellevue, Washington

PRESENT: Mayor Balducci, Deputy Mayor Wallace¹, and Councilmembers Chelminiak, Lee, Robertson, Robinson, and Stokes

ABSENT: None.

1. Introduction and Review of Agenda

Mayor Balducci called the meeting to order at 6:05 p.m.

Acting City Manager Brad Miyake reviewed the agenda and objectives for the budget workshop, which will include presentations from the Results Teams for the Budget One outcome areas.

2. Budget Process, Calendar, and Public Engagement

Finance Director Jan Hawn presented the 2015-2016 Budget Guiding Principles based on Council policy as well as an overview of the calendar and major milestones. She said staff would review the results of the community survey tonight.

Ms. Hawn described citizen engagement opportunities and activities including the 2015-2016 Budget web site, community survey conducted in January, Neighborhood Leadership gathering, public hearings (May, July, November), public comment at all Council meetings, public comment at Board and Commission meetings, and email to Council@bellevuewa.gov and to Finance staff at FinanceDepartment@bellevuewa.gov.

3. Results of Budget Survey and Performance Measures Survey

Mr. Miyake introduced staff's presentation of the Budget Survey and Performance Survey results.

Rich Siegel, Performance and Outreach Coordinator, presented the results of the two surveys.

¹ Deputy Mayor Wallace arrived at 6:10 p.m.

The 2014 Budget Survey was conducted between January 10 and February 6, 2014. It is conducted every year before the budget development cycle and involved 403 total interviews this time. Of these, 218 interviews were conducted over the phone and 185 were completed via the web. Mr. Siegel reported that Improved Mobility and Safe Community continue to be rated as the highest overall budget priorities by citizens.

Turning to the 2014 Performance Survey, Mr. Siegel said this measures the City's delivery of services. Since 2011, a majority of respondents have indicated that the City's services meet, exceed, or greatly exceed expectations. Similarly, a majority feel the City is headed in the right direction and that they receive good value for their tax dollars.

Mr. Siegel said the City's survey company uses a five-star rating system. Bellevue was a 4.5-star city in 2011, but dropped to a four-star city in 2013. In 2014, there was a large increase in the percentage of residents who rated Bellevue as a five-star city, resulting in an average rating of 4.5 stars.

Mayor Balducci noted the survey question: Would you prefer to have increased services and increased taxes or decreased services and taxes? She asked staff to think about whether that is the right question. She observed that those are not typically the options. Sometimes, there is not an option to keep taxes and services where they are. Sometimes it is keep the services where they are and increase taxes. Or keep taxes where they are and decrease services. She said it might be helpful to reconsider this question. Ms. Balducci said the Council has taken the position that the City should maintain services, pretty much at all costs. She is unsure about whether that is consistent with how residents view the issue.

Mr. Siegel agreed with this suggestion to implement for the next survey. He indicated he would provide copies of the full survey results to the Council that week.

4. Economic Update and Forecasts

Toni Rezab, Assistant Finance Director, moved to a presentation of the forecast. Actual 2013 revenues were slightly below projections, and actual expenditures were slightly lower than forecast as well. Total revenue exceeded expenditures in 2013 by approximately \$400,000.

Ms. Rezab presented the General Fund operating budget long-range forecast through 2035, noting the limitation in forecasting business cycles. The traditional forecast period is six years. Beyond that, there is a range of possibilities, and the red line in the graph (presentation slide 23) represents the mathematical average. In looking at the City's historical personnel levels and other factors, current services are likely to be sustainable. The budget cuts made from 2010 through 2012 have appeared to make the City fiscally sustainable. Ms. Rezab said the long-term forecast graph assumes that the sales tax annexation credit will go away in 2022, the court lease is included in the outer years, and LEOFF 1 reserves contributions will become necessary after 2018.

Responding to Councilmember Lee, Ms. Rezab said the 2013 sales tax and B&O (business and occupation) tax collections were at or above budgeted levels.

Ms. Rezab said more information on other operating funds (i.e., Utilities Fund and Development Services Fund) will be presented during the July workshop.

Ms. Hawn explained that an emphasis is being placed on the City's performance management initiative. Each budget proposal must be tied to performance measures and that historical data informs the preparation of proposals. The Results Teams and the Leadership Team will seek to assure that the performance data supports the needs and outcomes identified in the proposals.

Responding to Deputy Mayor Wallace, Ms. Rezab said the slight dip in expenditures in 2016/2017 relates to current limited term employees serving three-year terms.

Councilmember Chelminiak noted that data from the past is useful, but the proposals need to be future-focused as well.

Referring to page 44 of the Council's Budget binders, Mr. Chelminiak said there appears to be a greater reliance on taxes other than the property tax around 2020. He said it would be good to take a look at that.

Councilmember Robinson questioned whether data from other cities' experiences and/or research would be appropriate to this process, and Ms. Hawn said yes.

5. Results Teams Cause and Effect Maps and Requests for Results

Ms. Hawn provided an overview of the Results Teams process and the work that the teams would be presenting. The objectives of the presentations are to ensure the Council understands the services that relate to the Outcome areas and to provide the framework for the 2015-2016 Budget. The Results Teams will use the factors and purchasing strategies as criteria for evaluating and ranking the Budget proposals.

Mike Remington, Fire Department Deputy Chief, presented the Responsive Government Outcome cause and effect map, which includes the factors of strategic leadership, high performance workforce, customer-focused service, and stewardship of the public trust. Key community and key performance indicators are provided as well.

Paula Stevens, Assistant Director of Transportation, presented the cause and effect map for the Healthy and Sustainable Environment Outcome. She noted that the team has recommended a new emphasis on education about sustaining a healthy environment. The four main areas of focus are air, water, natural environment, and the built environment.

Emil King, Strategic Planning Manager, described the Improved Mobility Outcome cause and effect map and its factors: existing and future infrastructure, traffic flow, built environment, and travel options.

Responding to Councilmember Robertson, Mr. King said the Results Team revised the factors to add an emphasis on the link between mobility and economic development, especially with regard to travel options. A reference to quality of life was added to the built environment factor.

Mayor Balducci asked staff to provide redlined versions of the cause and effect maps as changes are made.

Mr. King said the primary assumptions of the Improved Mobility Outcome are safety, maximizing the efficiency of the transportation system, the importance of mobility to other significant goals of the City, and reliance on the regional transportation system.

Jami Carter, Information Technology Department, presented the Safe Community Outcome cause and effect map with its three factors: response; prevention; and planning and preparation. This map previously included a factor labeled community engagement. However, the Results Team determined that community engagement and involvement belonged within each factor.

Councilmember Robertson questioned whether performance measures for the Police Department include levels of service and/or response times, similar to what is used for the Fire Department. Ms. Carter said the proposals must include performance indicators that relate to the functions.

Responding to Ms. Robertson, Mayor Balducci said the Council will have the opportunity for final approval of the cause and effect maps and performance metrics. Ms. Balducci encouraged Councilmembers to provide feedback and input as early as possible.

Jerome Roaché, Assistant City Attorney, presented the Innovative, Vibrant and Caring Community Outcome cause and effect map, with its factors of citizen involvement, opportunities for citizen interaction, support services, and built environment.

Mr. Roaché presented the Quality Neighborhoods Outcome factors: public health and safety; facilities and amenities; sense of neighborhood identity; neighborhood mobility; and schools. He said the Results Team removed “especially those with children” from the previous goal statement that Bellevue “values a neighborhood that supports all families, especially those with children.” The Results Team determined that the added reference to children was unnecessary.

Councilmember Robertson disagreed with the proposed change. She opined that, if the City does not support families with children, Bellevue will not be innovative and caring and will not have quality neighborhoods. She prefers to keep either “especially those with children” or “including with children.”

Councilmember Chelminiak concurred. He described the change in his neighborhood to almost no children for a period of time, followed by the revitalization of the neighborhood with new families and children. He would support a word other than “especially” but would like to include some reference to encouraging neighborhoods that are friendly to children.

Councilmember Robinson said she is looking at it from the point of view of all of the individuals who age in place and live alone, as well as newcomers to the community who do not have children.

Mr. Roaché said the Results Team determined that “all families” encompasses everyone, with families being defined as singles, couples, people with children, people with animals/pets, etc. The intent was to be all-inclusive.

Councilmember Robinson questioned whether the common usage of “family” includes a single person living alone. Mr. Roaché observed that the common definition of family might not include single persons, but the Results Team decided on this concept of family for this purpose. Dr. Robinson expressed concern that individuals will look at this as not including them.

Mayor Balducci said she has heard it said, at least with regard to public facilities and infrastructure, that if a project serves young children and senior adults well, it serves everyone well. She acknowledged that the Results Team is trying to avoid any inference of exclusion. Ms. Balducci suggested revising the language to reflect inclusiveness and to avoid inferring that one type of family is valued over others.

Councilmember Stokes suggested: “supports all residents including singles, families, children and seniors.”

Councilmember Robinson suggested that “all ages” includes everyone.

Mr. Roaché continued describing the Quality Neighborhood factors.

Councilmember Robertson would like schools to refer to kindergarten through college opportunities, and potentially preschool through college.

Smitha Vijayan, Information Technology Department, presented the Economic Growth and Competitiveness Outcome which includes the factors of City brand; costs and capital; land, infrastructure and planning; quality of community; and workforce. She noted that the addition, under City brand, refers to Bellevue as a regional leader in commerce and as an International Gateway City. Both of these concepts have been included in the ongoing development of an economic development strategic plan. Ms. Vijayan said land, infrastructure, and planning provide the foundation for the City’s economic prosperity.

Mayor Balducci questioned how this level of general principles and priority setting is translated into the scoring and prioritizing of the budget proposals.

Ms. Rezab said the Results Teams review the proposals and divide them into low, medium and high priority based on the objectives and criteria defined for each Outcome. Once the specific total dollar amount is known, the team must decide which items are above and below the funding line.

Responding to Mayor Balducci, staff explained that the Results Teams will continue to negotiate with departments regarding their budget requests to determine whether modifications can be made to gain efficiencies or otherwise adjust the priority of individual proposals.

Ms. Stevens said the Transportation Department is building scalability into its proposals to make it easier to make modifications later if needed.

Responding to Ms. Balducci, Ms. Hawn said department budget proposal writers are directed to address efficiency in their proposals.

Responding to Ms. Balducci, Ms. Rezab said the City recently implemented the Covalent system for improved tracking and analysis of performance measures data.

Referring to the Innovative, Vibrant and Caring Community Outcome, Councilmember Robertson asked that diversity refer not only to ethnicity or culture but that the performance measure also include age, abilities, and economic diversity. With regard to Economic Growth and Competitiveness, Ms. Robertson suggested a focus on living wage employment that enables people to support themselves and their families.

Councilmember Stokes questioned how the proposals are compared to the cause and effect maps to determine direct positive effects. What determines whether the City will not do a certain thing anymore, and how is this all tied into various visions and priorities?

Ms. Hawn said there is a great deal of detail in the individual budget proposals, which address the purchasing strategies and direct links to the relevant Outcome.

Councilmember Lee noted that personnel costs are a large portion of operating costs. He would like to spend some time reviewing personnel costs during this budget cycle.

Mr. Lee recalled the Police Chief commenting 20 years ago about the changes coming due to an emphasis on the community policing model. However, he observed that the Police Department is similar to how it was 20 years ago. He suggested innovative thinking about the big ideas that need to be considered in looking at a 20-year time horizon. For example, what is the role of the Police? How much of the function is enforcement and how much is community policing?

Mayor Balducci suggested that innovation be valued across all of the Outcome areas and budget proposals.

Deputy Mayor Wallace questioned how staff analyze certain line items that represent a significant amount of money versus the line items that represent a smaller scope and much smaller dollar amounts.

Speaking for the Safe Community Outcome, Ms. Carter said the proposal writers have been asked to unbundle services to the extent possible, in order for the Results Teams to have a better understanding of individual line items.

Deputy Mayor Wallace said this is the Council's third budget cycle with the Outcome-based approach. He said it would be helpful to review and compare the line items from the previous two budgets to the corresponding line items in this budget.

Mr. Wallace noted that some line items are funded with monies from sources other than the General Fund. He said it would be helpful if line items could be coded based on their funding sources, including outside sources. As a related issue, Mr. Wallace noted that the Utilities budget refers to the financial impacts of complying with NPDES (National Pollutant Discharge Elimination Systems) regulations. He questioned the cost implications of these and other mandates for the budget.

Mayor Balducci suggested going through each Outcome area, in the order in which they were presented, for questions and discussion.

Responsive Government

Deputy Mayor Wallace said his questions are more about two line items: debt management and health care costs. He would like to have an analysis and discussion of health care costs and market impacts due to changes in the law.

Ms. Hawn said staff can bring back additional information related to the forecast. It does assume that plan design changes will avoid the "Cadillac tax."

Councilmember Chelminiak questioned the cost of the Cadillac tax. Ms. Hawn estimated it would be \$2 million per year. Mayor Balducci noted that this is a discussion to have with the unions.

Councilmember Robertson suggested moving forward with those discussions and with considering changes to the health insurance plans. Ms. Hawn said staff plans to address the issue later this year, separate from the budget discussions.

Mayor Balducci said the Council identified certain priorities during its annual retreat. She observed that these are not yet syncing up with the budget process. Under Responsive Government, the Council had identified a priority area called high-performance government. Items included implementing looping technology for public meeting areas, identifying and implementing technology that improves customer service, and ensuring that Budget Outcome goals are reached including evaluating public safety standards and focusing on how the organization operates in high-performing ways. Mayor Balducci would like the priorities discussed during the retreat to be added to budget discussions.

Deputy Mayor Wallace said he is not sure that discussing health insurance benefits separately from the overall budget discussion is wise. He believes it is an important component of the budget discussion. He observed that the Responsive Government Outcome area should include responsiveness to the taxpayers who must cover the bill. The City should be able to defend the pay and benefits provided to employees.

Mayor Balducci agreed with the need for that discussion. She said the Council has the responsibility for those costs, which are established through negotiations with unions and applied to non-represented employees as well based on the policy of parity. She suggested it would not be an appropriate discussion for the Results Team, however.

Deputy Mayor Wallace reiterated his perspective that the costs should be part of the Responsive Government goals. He believes there is not a sufficient focus to contain those costs.

Acting City Manager Brad Miyake said staff will come back with information on how the City has controlled benefit costs and what is planned for the future.

Mayor Balducci said it has been quite a while since the Council had an executive session discussion about labor policy and pay policies.

Mr. Miyake concurred with the need for a discussion of these issues.

Mr. Wallace said he has not concluded that pay and benefits are not defensible, but he would like an analysis and discussion.

Councilmember Chelminiak observed that intergovernmental relations should be high on the Council's agenda. He said the largest revenue category for the City is Miscellaneous Revenue, much of which comes from other government sources. Mr. Chelminiak said there is a need for developing a regional engagement plan. With regard to the Responsive Government Outcome, he is pleased with the favorable metrics on the City's communication with the public. However, he does not see a mention of communications with other governments.

Councilmember Lee said the City's relationship with the federal government is important because it provides grant funding for a number of projects. He said the City needs to tell its story within the regional arena.

Mayor Balducci noted general concurrence with the Responsive Government Outcome goals and factors.

Healthy and Sustainable Environment

Councilmember Robinson suggested adding a future focus and looking at the scientific strategies that others are using, nationally and internationally. Ms. Stevens said that, while the latter is not explicitly referenced as part of the values, the proposals are evaluated with a consideration to elements of innovation.

Mayor Balducci suggested that keeping abreast of scientific learning could fall under the definition of stewardship. She observed that Bellevue's history is one of working to be progressive with regard to environmental stewardship. She asked that this concept be incorporated into the Outcome area.

Ms. Hawn noted that innovation and stewardship are criteria that are applied to evaluating proposals for all Outcomes.

Councilmember Chelminiak said the City has always been a leader in practical environmental stewardship. The City has been and should continue to be future focused. However, it is important to not get caught up in chasing every new idea. He said the Environmental Stewardship Initiative is a great example of being advanced while practical.

Councilmember Robinson observed that, based on her knowledge of practices in other cities, Bellevue is behind in what it could be doing. She believes the City should do something to spur it to work a little harder in this area.

Mayor Balducci said there have been times in which the City has been ahead of the curve as well as running with the pack.

Councilmember Robertson said the City does a great deal with regard to the environment within the Utilities Department and the purchasing of certain sensitive areas and open space. She believes the City is doing a good job of delivering a healthy and safe environment for its citizens.

With regard to the performance indicators, Ms. Robertson said that not all greenhouse gas emissions are pollution. She said she would not want to ignore broader pollution by limiting the focus to greenhouse gas emissions.

Councilmember Robertson observed that the material is missing a metric about stormwater. What is the City doing to improve the quality of water in the stormwater system? How long would it take the City to build out all stormwater basins to improve water quality? She would like to see performance measures for pollution and for cleaning stormwater.

Mayor Balducci asked staff to bring back proposed language to address these items. Mr. Miyake said staff will draft revisions to address the Council's interests.

Councilmember Lee said economic factors must be balanced with environmental stewardship.

Councilmember Stokes observed that there are differences of opinion on scientific findings and standards.

Councilmember Robinson suggested looking at the King County goals as a comparison to the City.

Mayor Balducci agreed that these issues are appropriate for a Council discussion. However, she suggested that underlying policies should be adopted first before discussing specific programs and funding allocations.

Mr. Miyake suggested that staff bring back a discussion on the Environmental Stewardship Initiative.

Deputy Mayor Wallace said one missing item is utility rates and the impact of continued rate increases on the community. The Council needs to have that discussion. Staff indicated that the Results Team is looking at those costs.

Mr. Wallace referred to the statement about “the reliable delivery of clean water,” and suggested adding “at a reasonable cost.”

Mayor Balducci observed that the concepts of efficiency and reasonable cost apply to the entire budget.

Improved Mobility

Deputy Mayor Wallace observed that there is no reference to congestion relief as a goal.

Mayor Balducci said she does not see that as the goal, but that the goals are convenience and traveling between points within a reasonable time.

Councilmember Chelminiak opined that the following key indicator from the cause and effect map covers those goals: Percent of residents who say they can travel within the City of Bellevue in a reasonable and predictable amount of time.

Ms. Balducci believes that having no congestion in the Downtown is not a reasonable expectation. Mr. King said there is a detailed document that provides a better understanding of the underlying analysis and assumptions. One example of improving efficiency and traffic flow is the City’s adaptive traffic signal system.

Mr. Wallace said there are congestion points throughout Bellevue, and congestion relief is a key element of the multi-modal transportation plan. He said it is important to focus on both transit and roadways.

Councilmember Chelminiak noted that congestion relief projects are eligible for funding supported by development fees. However, many transportation projects are not for congestion relief.

Councilmember Robertson agreed with the need to look at how the transportation system moves people. She believes the City should not invest disproportionately in modes that move the fewest percentage of people. However, she supports funding a multi-modal system. Ms. Robertson said items that fall within the lowest satisfaction levels are Downtown traffic and the need to build and widen local streets. She said it would be helpful to understand the public’s definition of mobility. She observed that it is tied to the safe community value.

Mayor Balducci recalled transportation-related goals identified during the Council’s annual retreat including to establish a long-range transportation capital plan, secure funding for the next phase of I-405, complete the SR 520 project, complete the Downtown Transportation Plan, and determine light rail-related mitigation.

Safe Community

Councilmember Lee noted the lack of a reference to community policing.

Councilmember Chelminiak said that many concepts related to community policing have been integrated into the City's police services. He said it is important to closely monitor the metrics related to the Safe Community Outcome.

Following additional brief discussion, Mayor Balducci summarized the Council's interest in proposals that provide effective police services.

Innovative, Vibrant and Caring Community

Councilmember Lee said he wants to emphasize engagement with diverse groups and not just provide a program or talk at them. Mr. Miyake indicated that engaging with diverse populations is one of the key performance indicators to be measured.

Mayor Balducci listed the identified Council priorities that largely align with this Outcome: 1) plan for parks, 2) help to promote housing opportunities for the needs of Bellevue's diverse population, 3) consider the multifamily property tax exemption, 4) consider the possibility of a revolving fund for affordable transit-oriented development, 5) construct Phase One of Meydenbauer Bay Park, 6) complete the Downtown Park circle and gateway, 7) collaborate with regional partners to reach a determination regarding a performing arts center, 8) create a civic center plan encompassing City Hall, the Metro property, Meydenbauer Center, and the Transit Center, 9) establish a vision for a grand connection to Meydenbauer Bay Park, 10) create a master plan for Ashwood Park, 11) explore options for expanding higher education, 12) complete the diversity initiative, and 13) receive an update on the implementation of the Eastside Pathways program to determine the best way for the City to continue to support its goals.

Quality Neighborhoods

Mayor Balducci noted Council priority 17 mentioned earlier: Reestablish a neighborhood program that supports neighborhood leadership, engagement, and community-directed investment. She said the Council requests a funding proposal on this item.

Councilmember Chelminiak acknowledged that affordable housing is referenced in the IVCC Outcome area. However, he believes that Quality Neighborhoods should also include the element of housing affordability and diversity. His sense is that this is an important topic for many people.

Councilmember Robertson encouraged equal emphasis on all types of neighborhoods, including both multifamily and single-family residences.

Councilmember Robinson believes the message should not be that Bellevue has a spectrum of neighborhoods, but that it has a variety of neighborhoods.

Councilmember Stokes questioned whether mega-houses and the enforcement of room rentals in single-family neighborhoods fall under this Outcome area.

Mayor Balducci said that might be an area of Council concern that could turn into a request. She feels this is one of the issues that can destroy the character of neighborhoods. She acknowledged that the Land Use Code work is underway. However, if there are resources needed to address the issue, she would like the Council to consider the options.

Councilmember Robinson concurred.

Economic Development

Councilmember Robinson complimented staff on the information presented for this Outcome area. She would like to see a priority placed on attracting new and innovative businesses.

Councilmember Robertson hopes to see a budget proposal for an Economic Development Director and/or other resources to implement the Economic Development Strategic Plan once it is adopted.

Councilmember Chelminiak recalled the consultant's advice, during the Council retreat, that the City not use the phrase "live, work, learn, and play" as a branding message. The rationale is that these words are bland and overused. He sees developing a City brand as an important step in implementing the economic development plan. Mr. Chelminiak suggested that the indicators include soliciting feedback from businesses about how the City is doing. He would like to see a business advocate staff function within the City.

Councilmember Lee noted that, on the scattergram, economic development falls within the quadrant of low satisfaction and high importance. He suggested that staff keep this in mind as it evaluates proposals.

Mr. Lee said there is a need to develop a specific vision and mission with regard to economic development. He would like a focus within this Outcome area on encouraging entrepreneurs and new businesses, which create jobs. He suggested incorporating the words incubator and innovation center, for example.

Councilmember Robinson concurred and suggested that new businesses should be one of the main factors under the Economic Development Outcome.

With regard to the Workforce factor, Councilmember Lee said the workforce in this region has not increased very much since the recession began. He said the jobs today are different than before the recession, and this highlights the need for new businesses to provide employment.

Councilmember Stokes agreed that the performance indicators on economic growth should refer to new businesses. He suggested they could be more targeted and substantive and more aggressively focused on the future.

Councilmember Lee said it would be helpful to be able to determine how others, within and outside of the region, view Bellevue's economic opportunities.

Mayor Balducci spoke to the challenges of linking Council priorities to the cause and effect maps and of providing adequate resources for the desired initiatives.

Deputy Mayor Wallace concurred. He observed it will be important to focus on the following two Council priorities over the next couple of years: 1) a Smart Cities strategy that includes high-speed data, and 2) development of a Civic Center Plan.

Mr. Wallace said that private sector development is now occurring at about the same level, dollar-wise, as pre-recession development. He said this increases demands on the Development Services Department, which at the same time is dealing with East Link light rail permitting. He is concerned about permit timelines as well as the City's relationships with developers and with Sound Transit. He would like to see a proposal for considering an ombudsman staff person in this area.

Councilmember Chelminiak said the City needs to finalize the electrical reliability work, whether or not that falls under the Economic Development Outcome. This could be in the form of a paragraph detailing what is going to happen with this effort. He does not anticipate a budget impact, but believes it should be defined.

Mayor Balducci said there is a subgroup of Enterprise Seattle called the Washington Innovation Network, which employs one or two individuals who provide support to technology-related small businesses. She said there was discussion about expanding this to the Eastside and obtaining private sector contributions. The group anticipates running out of funding by July so this is a timely issue if there is any interest.

6. General Capital Investment Program (CIP) Plan

Acting City Manager Brad Miyake opened discussion regarding the General Capital Investment Program (CIP) forecast and plan.

Dan Stroh, Planning Director, introduced staff's presentation of the General CIP Fund forecast.

Toni Rezab, Assistant Finance Director, described the General CIP Fund forecast for the next seven-year (2015-2021) CIP plan as well as the long-range forecast through 2035, including ongoing programs and debt service. Available capital funding ranges from \$20 million to \$25 million annually.

Responding to Deputy Mayor Wallace, Ms. Rezab confirmed that certain monies received through impact fees and the parks levy are dedicated to specific projects, which lowers the total dollars available for general capital projects. Of the \$23 million in the 2015-2021 CIP Plan, \$7.5 million is attributed to impact fees, for capacity projects, and \$3 million is related to the parks levy.

Mr. Stroh highlighted elements of the Potential Projects List in the Budget Workshop meeting packet, which has been compiled from a number of planning sources. The projects are not ranked by priority but are divided into five categories: 1) critical City facility, 2) East Link synchronization, 3) infrastructure to support growth, 4) multi-modal enhancements, and 5) quality of life/neighborhoods.

Deputy Mayor Wallace referenced \$96 million for the implementation of the Long-Range Fire Facilities Plan and said this has not yet been discussed with the Council.

Responding to Mr. Wallace, Mr. Stroh confirmed that the CIP Plan is adjusted periodically as project costs fluctuate. In further response, Mr. Stroh said the existing CIP Plan includes the first \$100 million of the potential \$160 million contribution under the East Link light rail Memorandum of Understanding (MOU) with Sound Transit. It does not contain any projects toward the \$60 million contingent contribution. At this time, the unmet projects list assumes the City will be able to drive that cost down to zero. The East Link synchronization projects are City projects that could be coordinated with Sound Transit projects in order to lower project costs.

Mr. Stroh said this is early in the budget process. He questioned whether, in addition to the priorities identified during the Council Retreat, there are specific projects that should receive special attention. What information and analysis would be helpful to the Council in its future deliberations on the CIP Plan?

Councilmember Robertson said the Council might decide that additional revenues should be considered for transportation projects. She is concerned that it is the end of March and the Council has talked about a number of different funding mechanisms, but it is getting later in the budget process than she would like. She is also concerned that King County's efforts to create a transportation benefit district (TBD) could eliminate the City's ability to utilize that or other Councilmanic mechanisms. To keep all options open, Ms. Robertson said she strongly advocates for the creation of a TBD. It would not mean that the City would be required to fund it immediately, but it would put the structure in place and enable the Council to be nimble later.

At the same time, she would like the Council to direct staff to look at other alternative funding options, including the property tax and voted bonds/levies, for capital projects. Ms. Robertson said the City of Kirkland recently created a TBD.

Mayor Balducci said she supports the financial plan the Council previously established to pay for capital projects, which included a potential TBD. As with that plan, she would like any plan going forward to be based on a specific vision and to identify the appropriate funding mechanisms for the projects and initiatives. The previous mobility and infrastructure plan was meant to be a fair and balanced package. However, funding was not implemented as planned due to the recession and other Council priorities.

Ms. Balducci said she could be supportive of a TBD, but she wants to develop an overall vision first. She wants the Council to identify and prioritize projects, and to then identify the specific funding streams. She would like the Council to develop a new long-range vision and a corresponding mobility package before being comfortable with making a decision on one

particular mechanism. Mayor Balducci said her understanding is that a TBD can be formed at any time, as needed.

Councilmember Robertson reiterated her concern that, if King County forms a TBD or adopts a Councilmanic levy, that would take away the City's ability to take Councilmanic action.

Councilmember Stokes concurred with Ms. Robertson, noting that he does not see a downside to forming a TBD in the near future. He would like more information about forming a TBD and the advantages of doing so.

Councilmember Chelminiak said he agrees with moving forward to form a TBD, and he suggests considering other Councilmanic options as well. He observed that, if the Council wants to meet its East Link project obligations and provide other transportation projects, including neighborhood projects, new tax dollars will be necessary. He is willing to consider the use of the property tax and/or a public ballot measure, and would like staff to come back with options to discuss in July.

Councilmember Robinson distributed copies of an article about Bellingham's SpaceLIFT redevelopment plan for its waterfront. She suggested that perhaps the local improvement finance tool (LIFT) would be a good model for the Bel-Red corridor.

Mayor Balducci said the City has received a request from KidsQuest Museum for the Council's consideration. She also noted the request for funding for Newport Way sidewalks. While expensive, the latter would demonstrate the City's commitment to infrastructure in this newly annexed area.

Deputy Mayor Wallace cautioned against focusing too heavily on the Downtown and the Bel-Red corridor. He said that Newport Way and West Lake Sammamish Parkway are both in need of continued funding. He would like Transportation staff to analyze whether costs for those projects can be reduced. He would support installing sidewalks on one side of Newport Way in the near term and phasing in the remainder of the project.

Mr. Wallace noted the need for a discussion with Sound Transit about projects and cost sharing. He said it will be a challenge to move forward with light rail-related projects while also trying to meet the needs of the rest of the community.

Mr. Wallace is open to considering the creation of a TBD. He said there are some very expensive projects ahead, especially in the areas of right-of-way (ROW) acquisition and construction. He agrees with fellow Councilmembers that it is time to consider revenue options.

Councilmember Robertson observed that Councilmembers Chelminiak, Stokes, and Wallace are in favor of creating a TBD. Councilmember Robinson said she would support that as well.

Mayor Balducci cautioned that Bellevue's formation of a TBD could be perceived negatively by King County. Responding to Councilmember Stokes, she confirmed that the City of Kirkland's creation of a TBD is not perceived favorably by King County.

Councilmember Robertson concurred with the suggestion to consider requests from KidsQuest Museum and for the Newport Way sidewalk project. If the Council is going to support continuing with the traffic photo enforcement program, she would like to be able to designate the revenue to capital pedestrian projects.

Ms. Robertson raised the issue of the gentleman interested in completing the World War I Memorial. She would like to finalize that project as well. There was discussion about whether the City should contribute financially to the project.

Councilmember Robinson suggested that the City's role could be to assist Mr. Shay in publicizing his fundraising efforts.

At 10:05 p.m., Mayor Balducci declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

/kaw

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Special Meetings

April 4 & 5, 2014

Multiple Conference Rooms, City Hall
Bellevue, Washington

PRESENT: Mayor Balducci, Deputy Mayor Wallace, and Councilmembers Chelminiak, Lee, Robertson, Robinson, and Stokes

ABSENT: None.

Special Meetings were held for the Council to meet with and interview candidates for the City Manager position.

Friday, April 4, 2014

- 5:30-6:45 p.m. – Council dinner with candidates.
- 7:00-9:00 p.m. – Public reception on City Hall Concourse.

Saturday, April 5, 2014

- 7:30 a.m.-6:00 p.m. – Full Council and one-on-one interviews were held with the City Manager candidates, followed by a debrief session to review the qualifications of the candidates. Full Council interviews and review of qualifications were done in Executive Session.

Sunday, April 6, 2014

- Potential second interviews of candidates were noticed as a Special Meeting. However, second interviews were not conducted and no meetings occurred on this date.

Myrna L. Basich
City Clerk

/kaw

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

April 7, 2014
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Balducci¹, Deputy Mayor Wallace, and Councilmembers Chelminiak, Lee, Robertson, Robinson, and Stokes

ABSENT: None.

1. Approval of Mayor Balducci's Remote Participation in Meeting

The meeting was called to order at 6:05 p.m., with Deputy Mayor Wallace presiding.

- Councilmember Robertson moved to allow Mayor Balducci's remote participation in tonight's Study and Regular Sessions. Councilmember Stokes seconded the motion.
- The motion carried by a vote of 6-0.
- Councilmember Robertson moved to amend the agenda to add a new item, to be taken up as the next item on the agenda, to discuss the Council's search for a new City Manager. Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.

Councilmember Robinson said the Council initiated its search for a City Manager last year and hired the firm Colin Baenziger & Associates to conduct the recruitment. Mr. Baenziger began with 49 applicants from across the country and narrowed that pool to 17 individuals. The Council further narrowed the group to nine candidates, and then to four finalists. The four finalists were in City Hall last week for interviews with the Council and Leadership Team and for receptions with staff and the public. Ms. Robinson thanked the community members who attended and provided feedback.

Ms. Robinson said interviews of the candidates were held all day on Saturday. In the end, the Council considered the feedback from the community, staff, and each Councilmember about who

¹ Mayor Balducci participated remotely via telephone for the first agenda item only.

might best fit the City's needs. The Council was pleased with the high caliber of candidates to choose from and thanks Colin Baenziger for their work in this process.

- Councilmember Robertson moved to select Brad Miyake as the next City Manager and to direct our executive recruiter and staff to begin negotiating a contract with him for Council consideration and action at a future meeting. Councilmember Chelminiak seconded the motion.

Councilmember Robertson said there was an excellent pool of candidates and a productive process in conducting the City Manager search. During the search and interviews, it became very clear to the Council that the current Acting City Manager is the best candidate for the job. The process was very worthwhile because it demonstrated Mr. Miyake's strong qualifications. Ms. Robertson expressed support for moving into negotiating a contract with Mr. Miyake and for supporting his appointment as City Manager upon the completion of that process.

Councilmember Lee said the past year provided a great opportunity for the Council and the community to move forward with a new City Manager. He said that Mr. Miyake reflects the diversity of the community and will lead Bellevue to continue as a global, world-class city.

Councilmember Chelminiak said this was a great deal of work for the Council, and it was well worth it. He thanked Colin Baenziger for his assistance in conducting the recruitment. He thanked City Clerk Myrna Basich and Council Executive Assistants Sandy Nunnelee and Kim McCool for their remarkable preparation and coordination of the interview process.

Councilmember Chelminiak highlighted the experience and strengths of the four well-qualified candidates. He noted, however, the Mr. Miyake has greatly impressed the Council through his performance as Acting City Manager and his interviews on Saturday.

Councilmember Robinson said she did not think that any Councilmembers went into this process knowing who the City Manager would be, and it is a compliment that so many qualified individuals applied for the job. It was clear from the feedback from the public, staff, and the Council that Mr. Miyake was the best choice for the position.

Councilmember Stokes said he enjoyed meeting the other candidates and believes they all would have brought skills to the City. However, Mr. Miyake's experience over the years in finance, utilities, team management, and adaptive leadership make him ideally qualified for this job. Mr. Stokes commended Mr. Miyake's energy, performance as acting city manager, and innovation. Councilmember Stokes said Mr. Miyake likes to meet with Councilmembers individually at least once per month, and he calls each Councilmember after every Mayor's meeting.

Mr. Stokes said he appreciates that Mr. Miyake has been sensitive to the Council's needs and requests with regard to the annual retreat and regular Council meetings. Mr. Stokes said he has built a smart, skilled, nimble and cohesive Leadership Team over the past year which will serve the City well going forward. Mr. Miyake has strong support from his co-workers and the community as well.

Mayor Balducci concurred with her fellow Councilmembers' comments about Mr. Miyake's credentials and his obvious ability to do the job. She said there was a tremendous pool of candidates throughout a long deliberative process, and any of them would do the job well. However, the Council has worked with Mr. Miyake and understands his strengths. Mayor Balducci said he is a thoughtful, ethical, hard-working and responsive individual.

Deputy Mayor Wallace said Mr. Miyake brings a strong background in finance, utilities, and city management. Mr. Wallace said Mr. Miyake has continued to learn and grow in his leadership over the past year, which is recognized by the Leadership Team as well. He noted that key partners throughout the community have expressed support for appointing Mr. Miyake as City Manager. Mr. Wallace commended his integrity and professionalism.

→ The motion to select Brad Miyake as City Manager and to proceed with negotiating a contract carried by a vote of 7-0.

Deputy Mayor Wallace congratulated Mr. Miyake.

[Mayor Balducci signed off from the meeting at 6:22 p.m.]

City Manager Brad Miyake commended City Clerk Myrna Basich and additional staff for coordinating the entire recruitment and interviewing process. He thanked the Council for the opportunity to serve as Acting City Manager over the past year. He has gained a great deal of experience and grown as a result of that. He appreciates working with such a skilled and smart Council and overall talented leadership. He said he will do his best to move the Council's agenda forward, and thanked the Council for their confidence in him.

2. Executive Session

At 6:23 p.m., Deputy Mayor Wallace declared recess to Executive Session for approximately one hour to discuss one item of potential litigation and one item of property acquisition.

The meeting resumed at 7:32 p.m., with Deputy Mayor Wallace presiding.

3. Study Session

(a) East Link Project Update

Acting City Manager Brad Miyake asked staff to provide the update on several elements of the East Link light rail project.

Transportation Director Dave Berg said staff would present updates on three major topics: opportunities for coordinating City projects with East Link projects, station area planning, and whether to expand the City Hall Plaza in conjunction with Sound Transit's work on the Downtown light rail station.

Nora Johnson, Director of Civic Services, recalled previous discussions with the Council about the impacts of the Downtown Station on the City Hall Plaza. One question raised with the Council in the past is whether to expand the plaza to the east, over the existing parking lot.

Ms. Johnson compared two alternatives for expanding the plaza: 1) building the expansion in conjunction with Sound Transit's work (mid-2018), or 2) deferring expansion of the plaza until development of the adjacent Metro site (estimated at mid-2023). Completing the work sooner results in lower project costs, avoids a second disruption to the City Hall Plaza and parking garage, ensures the integrity of the City Hall Plaza design, and provides 10,000 square feet of public space within the next few years.

If the Council wishes to proceed with the plaza expansion project in coordination with Sound Transit's work on the Downtown Station, the City will provide Sound Transit with plaza expansion 60-percent design documents. The estimated cost of this work is \$100,000. Sound Transit's general contractor/construction manager would provide an estimate of the additional construction costs and identify the potential schedule impacts.

Ms. Johnson requested Council direction about whether to proceed with preparing design documents for expansion of the City Hall Plaza. Staff will report back to the Council and seek final direction during the 2015-2021 Capital Investment Program (CIP) budgeting process.

Deputy Mayor Wallace noted his understanding that the Council is generally supportive of expanding the plaza.

Responding to Councilmember Robertson, Ms. Johnson said the Council will have the opportunity, at the 60-percent design phase, to review the updated cost estimate and to consider funding it in the 2015-2021 Capital Investment Program (CIP). Ms. Johnson confirmed that the 2014 budget includes \$100,000 for moving forward with design.

Responding to Councilmember Chelminiak, Mr. Berg said that reconciliation with Sound Transit of these project costs has not been determined.

Councilmember Lee supports moving forward to design the expanded plaza in conjunction with the Sound Transit light rail station project.

Councilmember Stokes concurred.

Deputy Mayor Wallace said that, in learning more about the integration of the City Hall Plaza with the light rail station, he is interested in learning about the potential future development that might occur on the Metro site.

Following up on Mr. Chelminiak's inquiry about increased project costs, Mr. Wallace suggested that if Sound Transit's project is taking a portion of the current City Hall Plaza, it seems logical that Sound Transit would pay to replace that square footage by funding the expansion of the

plaza. Mr. Wallace noted that the Council voted in a \$5 million deal with the MOU vote that might be applicable to this if the City is expected to pay for the project.

Moving on, Mr. Berg said there will be a number of opportunities for coordinating City and Sound Transit projects in the Bel-Red corridor in the years ahead. Two near-term City projects are NE 15th Street Zone 1 (116th Avenue NE to 120th Avenue NE) and Zone 2 (120th Avenue NE to 124th Avenue NE). There will be a significant cost increase if the City builds these projects after East Link light rail is in place. Staff will continue to work with Sound Transit to determine the best way to coordinate the projects and lower overall costs.

Mr. Berg noted the alignment of NE 16th Street (130th Avenue NE to 132nd Avenue NE), which is a future station location. With the planned Park and Ride lot on the north side of the station, Mr. Berg said staff is exploring the potential for investing in a westbound lane on NE 16th Street as light rail is built.

Mr. Berg said staff is seeking Council direction at this time on 120th Avenue NE (NE 12th Street to NE 16th Street) and 124th Avenue NE (NE 14th Street to NE 18th Street). These two projects are funded in the CIP for design, right-of-way acquisition, and construction. However, the dollar amounts are in years that do not line up with Sound Transit's schedule.

Staff would like to accelerate property acquisition/ROW funding from 2015 to 2014 to enable the City to coordinate acquisitions with Sound Transit. Construction costs for both projects are budgeted in 2019 of the CIP Plan. Mr. Berg said the roadways will be raised for both 120th Avenue NE and 124th Avenue NE.

Councilmember Robertson expressed support for directing staff to provide more information for considering whether to accelerate funding from 2015 to 2014, as requested by staff. Mr. Berg said staff would return on April 28 with a proposal for reallocating funds.

Responding to Councilmember Lee, Mr. Berg said the estimated project costs were adopted in the last budget process. Some costs have changed recently due to changes in property values. Mr. Berg said he would provide more details on the cost estimates.

Deputy Mayor Wallace recalled past discussions about debt and the potential for Sound Transit providing a revenue source. He said he was not very supportive of the idea at that time. He believes it is important to establish an understanding regarding the mechanics of the cost sharing with Sound Transit for all aspects of the East Link project that overlap with City projects. He said the Council will need more information as the budget process moves forward this year.

Mike Kattermann, Sr. Land Use Planner, provided an update on East Link light rail station area planning for the four study areas: South Bellevue, East Main, Downtown, and Hospital/Wilburton. The Downtown Station area planning is included in the work of the Downtown Livability Initiative.

Mr. Kattermann said that work on the South Bellevue Station area planning was initiated last fall, and staff is in the process of analyzing issues identified by residents and developing implementation strategies for their consideration and feedback. Staff anticipates bringing a final report to the Council by the end of July.

Mr. Kattermann said a mailing is going out soon to 900 addresses regarding area planning for the East Main Station. Nominations for the citizens advisory committee will be presented to the Council in May, and staff anticipates beginning its work with the CAC in June. This effort is not considering any redevelopment potential west of 112th Avenue. Residents are concerned that access into the neighborhood will be closed from 112th Avenue, which will push cars to 110th and 108th Avenues. General station access will be addressed. The area north of Main Street falls within the Downtown Livability Initiative work.

Responding to Deputy Mayor Wallace, Mr. Kattermann said only residents within the East Main CAC boundary map are eligible to serve on the CAC. However, everyone is welcome to be involved in the process.

Responding to Councilmember Chelminiak, Mr. Kattermann said the area south of Main Street will receive mailings and will be eligible to serve on the CAC. Addresses north of Main Street will receive mailed notices but are not eligible for the CAC.

Mr. Chelminiak said he would like to allow a representative from the area north of Main Street on the CAC, if there is interest. Mr. Kattermann said staff will expand the CAC eligibility area to north of Main Street.

Councilmember Stokes concurred with Mr. Chelminiak that residents and businesses north of Main Street are likely to use the East Main Station and should be provided the opportunity to participate on the CAC.

Deputy Mayor Wallace said staff will return on April 28 for more discussion of East Link issues. He would like information on the East Link operations and maintenance satellite facility at that time.

At 8:00 p.m., Deputy Mayor Wallace declared recess to the Regular Session.

Myrna L. Basich, MMC
City Clerk

/kaw

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Session

April 7, 2014
8:00 p.m.

Council Chamber
Bellevue, Washington

PRESENT: Deputy Mayor Wallace and Councilmembers Chelminiak, Lee, Robertson, Robinson, and Stokes

ABSENT: Mayor Balducci

1. Call to Order

The meeting was called to order at 8:05 p.m., with Deputy Mayor Wallace presiding.

2. Roll Call, Flag Salute

All Councilmembers except Mayor Balducci were present. Councilmember Stokes led the flag salute.

(a) Proclamation for Arbor Day-Earth Day 2014 & Tree City USA Award

Deputy Mayor Wallace read a proclamation declaring May 3, 2014, as Arbor Day-Earth Day in Bellevue, and encouraged citizens to participate in community-wide celebrations and environment enhancement projects, including at Kelsey Creek Park.

Dustin VanNieulande, Park Ranger/Environmental Educator, introduced Terry Flatley, Urban Forestry Manager for the City of Renton.

Mr. Flatley, representing the Washington Community Forestry Council and the Washington Department of Natural Resources Urban Forestry Program, presented Bellevue with its 23rd Tree City USA award and 21st Growth Award. Mr. Flatley said the first Arbor Day in the country was April 10, 1872, and the day has been recognized in Washington since 1917. In 1957, the state legislature designated the second Wednesday in April as the official Washington State Arbor day.

Mr. Flatley said he is pleased to honor Bellevue with its Tree City USA award and Growth Award from the National Arbor Day Foundation.

Councilmember Robinson said she hopes the City continues to protect and expand its tree cover. She thanked the gentlemen for coming.

3. Communications: Written and Oral

- (a) Todd Anderson, representing the Somerset Community Association (SCA), spoke opposed to the proposed power line from Renton to Kirkland. He said Puget Sound Energy is not being straightforward about the additional power to be exported to Canada. He expressed concern about the impact on property values. He said one member of the SCA technical committee is a 30-year executive from Puget Sound Energy. Mr. Anderson said there will be significant changes in energy conservation and production over the next few years, including the increased use of solar energy. He believes that building codes for residential windows should be stricter. [Mr. Anderson submitted copies of a PSE report with his notes.]
- (b) Alex Zimmerman, StandUP-America, spoke in favor of limiting Councilmembers to two terms and of the City Manager holding a monthly forum with citizens. He referred to being prosecuted twice by the City, including the current one that is costing the City \$150,000 so far. He spoke against the use of red light cameras and against King County Proposition 1.

4. Reports of Community Council, Boards and Commissions: None.

5. Report of the City Manager

- (a) Management Brief regarding Bellevue Police Department Re-Accreditation by Commission on Accreditation for Law Enforcement Agencies (CALEA)

Acting City Manager Brad Miyake noted the management brief regarding the re-accreditation of the Bellevue Police Department by the Commission on Accreditation for Law Enforcement Agencies (CALEA). This is the 12th consecutive year of re-accreditation, and Bellevue is one of the four percent of law enforcement agencies nationwide that have achieved CALEA accreditation.

Deputy Mayor Wallace congratulated the Police Department on their work.

6. Council Business and New Initiatives

- (a) Council Liaison Recommendation for 2014 Appointments to Special Events Committee and Parks & Community Services Board
- Councilmember Robinson nominated Meredith Langridge to serve on the Special Events Committee, and Debra Kumar to serve on the Parks and Community Services Board, both with terms expiring on May 31, 2018. Councilmember Robertson seconded the motion.

Councilmember Stokes noted Debra Kumar's PTA work over the years and her advocacy of the Parks Levy in 2008.

→ The motion carried by a vote of 6-0.

Councilmember Robinson reported that she attended the Bellevue Downtown Association (BDA) breakfast, Bellevue Chamber of Commerce lunch, a zip line tour of the South Bellevue community, Bellevue Youth Link's Gumbo Night, the Bellevue Foundation breakfast, and Tutta Bella Restaurant's oven blessing. Ms. Robinson met with representatives of the Cascade Bicycle Club, Ashwood neighborhood, Eastside Legal Assistance Program, the Eastside Incubator, Horizon Heights, and the Lake Hills area.

Councilmember Lee met with the African Chamber of Commerce and with a group of Chinese entrepreneurs. He attended the Youth Link Gumbo Night and the Seattle Lee Family Association dinner. Mr. Lee noted that, if Mr. Miyake accepts future contract negotiations, he will be the first minority and Asian city manager.

Councilmember Stokes reported that he has been ill, and Councilmember Robinson was able to attend the Bellevue Chamber lunch in his absence. Mr. Stokes said the Council spent Friday evening and all day Saturday with the City Manager candidates. As liaison to the Performing Arts Center Eastside (PACE)/Tateuchi Center project, Mr. Stokes met with PACE Executive Director John Haynes, City staff, and others. The group is finalizing a memorandum of understanding (MOU) for collaboration between PACE and the City.

Councilmember Chelminiak attended meetings of the Bellevue Convention Center Authority (BCCA) Board and the Puget Sound Regional Council (PSRC) Growth Management Planning Council. He said the BCCA/Meydenbauer Center is interested in providing input on the façade of the Downtown light rail station that will face the convention center. Mr. Chelminiak attended a meeting of the target markets committee of the Trade Development Alliance. He spent Friday night and Saturday with the Council, staff, and City Manager candidates.

Councilmember Lee observed that the east side of Meydenbauer Center needs some dressing up. He suggested that the light rail station project provides the opportunity to address design elements for both facilities.

Councilmember Robinson said it would be interesting to look at Meydenbauer Center's original design plans.

Deputy Mayor Wallace questioned whether the City should be working beside Meydenbauer Center in that discussion.

Councilmember Robertson attended the Environmental Services Commission (ESC) meeting, met with the director of the Eastside Legal Assistance Program, participated over the weekend in the City Manager interviews, and met with Redmond City Councilmember David Carson about the potential for a regional pool. She attended Youth Link's Gumbo Night and the Eastgate Elementary PTSA Auction. She spoke with three Bellevue School Board members at those

functions, who said they are interested in having joint meetings with the City Council. Councilmember Robertson said she attended the Overlake Hospital Bandage Ball, which raised \$1 million for the hospital and medical center. She noted that City staff has been assisting with public information activities related to the Oso mudslide.

Councilmember Robertson referred to the earlier comments by Todd Anderson about Puget Sound Energy's Energize Eastside project. She would like staff to follow up on the information he provided. She said Somerset residents are concerned about visual and property impacts. Ms. Robertson said she would like staff to follow up on the claim that PSE's project is primarily focused on exporting energy to Canada.

Acting City Manager Miyake said staff has been working with Puget Sound Energy and will follow up with the Council.

Ms. Robertson noted Mr. Anderson's testimony that local building codes regulating windows could be more strict for better energy conservation. She asked staff to earmark that topic to be addressed with the next regular review and update of the City's building codes.

Councilmember Robertson reported that the City of Kent banned medical marijuana, and the Division Court of Appeals upheld that ban and indicated that cities have a strong ability to regulate medical marijuana. She said the City already has its regulations in place. However, there are a growing number of incidents of fires, including property damage and loss of life, related to the processing of marijuana into hash oil.

- Councilmember Robertson moved to direct staff to bring back a regulation for Council consideration that would ban the processing of hash oil for medical marijuana in residential structures. Councilmember Lee seconded the motion.
- The motion carried by a vote of 6-0.

Councilmember Robertson commented on the loss of a child's life due to a fire the previous night. She reminded citizens to change their smoke detectors' batteries regularly in the spring and fall.

With regard to the Energize Eastside project, Councilmember Lee said he went to a public meeting held by PSE that was attended by hundreds of citizens. He said there are many technical experts in the community who are willing to participate in the discussions and planning. Councilmember Lee encouraged staff and the Council to gather a broad range of information, including the benefits and disadvantages, on the project.

Deputy Mayor Wallace said the Council and the City should continue to discuss and monitor this project. He acknowledged Mr. Miyake's earlier comment that staff is involved with PSE.

Deputy Mayor Wallace reported that former Councilmember Dr. Don Davidson received an award at the King County Republican Party Lincoln Day Dinner for his longtime public service.

Deputy Mayor Wallace said he attended the King County Regional Water Quality Committee meeting. Mr. Wallace thanked the Leadership Team, Council Executive Assistants Kim McCool and Sandy Nunnelee, and all staff involved in the City Manager recruitment process. Deputy Mayor Wallace offered special thanks to City Clerk Myrna Basich for her leadership and hard work in ensuring the success of this effort.

7. Approval of the Agenda

- Councilmember Robertson moved to approve the agenda, and Councilmember Chelminiak seconded the motion.
- The motion to approve the agenda carried by a vote of 6-0.

8. Consent Calendar

- Councilmember Chelminiak moved to approve the Consent Calendar, and Councilmember Stokes seconded the motion.
- The motion to approve the Consent Calendar carried by a vote of 6-0, and the following items were approved:
 - (a) Minutes of March 10, 2014 Extended Study Session
Minutes of March 17, 2014 Study Session
Minutes of March 17, 2014 Regular Session
 - (b) Resolution No. 8720 authorizing approval of payment in the amount of \$35,606.71 for a Release of All Claims in final settlement of a claim against the City for property damage to the Frederick and Elizabeth Reininger residence caused when a 6-inch water main broke in the street in front of and above their property.
 - (c) Ordinance No. 6158 determining the public advantage in vacating a portion of 139th Avenue SE (entrance to Forest Ridge School of the Sacred Heart) in the City and vacating the same subject to certain conditions.
 - (d) Resolution No. 8721 authorizing execution of a professional services agreement with Anchor QEA, LLC, in an amount not to exceed \$1,598,000, for landscape architectural, architectural, engineering and site design services to complete the first phase of Meydenbauer Bay Park.
 - (e) Resolution No. 8722 authorizing execution of an Interlocal Agreement between Bellevue and the cities and organizations of Kent, Kirkland, Mountlake Terrace, Port of Seattle, Renton, SeaTac, Tacoma, Tukwila, Woodinville, Seattle Parks and Recreation, University of Washington, USDA Wildlife Services, and the US Fish and Wildlife Service, in the amount of \$2,230, for waterfowl management.

(f) Park Project Grant Requests

Resolution Nos. 8723, 8724, 8725, and 8726 authorizing the submittal of grant applications requesting a total of up to \$2,000,000 from the State of Washington's Recreation and Conservance Office (RCO) to assist with the cost of developing the Downtown Park Inspiration Playground and Meydenbauer Bay Park Phase 1.

(g) Motion to award Bid No. 14034 to Global Contractors LLC, as the lowest responsible bidder, for replacing a portion of the walkway at the Crossroads Park Water Spray Play Area.

(h) Resolution No. 8727 authorizing execution of a professional services agreement with PACE Engineers, Inc., in an amount not to exceed \$54,556, for engineering services for the Factoria Reservoir Coating Repairs and Overflow Modifications project.

(i) Resolution No. 8728 authorizing execution of a professional services agreement with Site Development Associates, LLC (SDA), in an amount not to exceed \$150,000, for engineering services for the Commercial Water Meter Replacement 2014 - Phase 2 Design project (CIP Plan No. W-98).

9. Public Hearings: None.

10. Land Use: None.

11. Other Ordinances, Resolutions and Motions: None.

12. Unfinished Business: None.

13. Continued Oral Communications: None.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

Deputy Mayor Wallace declared the meeting adjourned at 8:47 p.m.

Myrna L. Basich, MMC
City Clerk

/kaw

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

April 14, 2014
6:00 p.m.

Conference Room 1E-108
Bellevue, Washington

PRESENT: Mayor Balducci, Deputy Mayor Wallace, and Councilmembers Chelminiak, Lee, Robertson, Robinson, and Stokes

ABSENT: None.

1. Executive Session

Deputy Mayor Wallace called the meeting to order at 6:03 p.m., and declared recess to Executive Session for approximately 35 minutes to discuss one item of property acquisition and one item of potential litigation.

The meeting resumed at 6:52 p.m., with Mayor Balducci presiding.

2. Council Recognition of Retiring Police Chief Pillo

Acting City Manager Brad Miyake invited Police Chief Linda Pillo to the table for recognition. She is retiring on April 15 which is her 35th anniversary of public service.

Mayor Balducci read a commendation of Chief Pillo's 35-year career in law enforcement. Chief Pillo was the first female to serve as Bellevue Police Captain, Major, Deputy Chief, and Chief. The commendation highlights many of her accomplishments and leadership roles, as well as the decrease in violent crime in Bellevue since 2008.

Mayor Balducci said it has been a true pleasure to work with Chief Pillo and she will miss her. She congratulated Chief Pillo and presented the commendation to her.

Chief Pillo thanked the Council and said she has been privileged to serve 28 years of her 35-year career with the City of Bellevue, including the past seven years as Police Chief. She thanked the Council for its support over the years. She praised the dedication and professionalism of Bellevue staff and said she believes that Bellevue residents are getting a good value for their tax dollars. As she retires, she hopes to take 10 strokes off her golf game.

Councilmember Lee congratulated Chief Pillo on her impressive career rising through the ranks. He commented on the integrity of the Bellevue Police Department and thanked Chief Pillo for her leadership in keeping Bellevue a safe community.

Councilmember Chelminiak said Chief Pillo leaves Bellevue a safer and better place, and he has enjoyed the opportunity to work with her. He thanked her for her work and noted that she is appreciated by the community.

Councilmember Robinson thanked Chief Pillo for her responsiveness to the community over the years. Ms. Robinson said that when she was campaigning to serve on the City Council, she heard a lot of praise from residents about the Police Department's aggressive response to home burglaries.

Councilmember Stokes thanked Chief Pillo for her work and accessibility. He commended her leadership, which has involved Deputy Mayor Wallace as well, to address human trafficking within the region.

Councilmember Robertson said Chief Pillo is an inspiration and model for young women, for the men and women who have served under her, and for the community. She credited Chief Pillo's work in establishing the Bellevue Police Foundation and in leading the Police Department through accreditation. Councilmember Robertson noted that violent crime has decreased every year since 2008, the year that Ms. Pillo became the Police Chief.

Deputy Mayor Wallace thanked Chief Pillo for her effectiveness in leading the Police Department. He appreciates the strong relationships that have been developed in recent years between the Police Department and the business community.

Chief Pillo thanked the Council for the recognition. She commended Police Department staff and credited them with keeping the community safe.

→ Councilmember Robertson moved to amend the agenda to add Item 4(e), NE 4th Street Property Acquisition Settlement Agreements. Deputy Mayor Wallace seconded the motion.

→ The motion carried by a vote of 7-0.

3. Oral Communications

(a) Sam Bellomio, StandUP-America, said there is a great deal of discussion about good news and things that are going well. However, he believes there needs to be more citizen involvement in local government. He urged the Council to require that Police detectives track how they use their time and how money is spent. Mr. Bellomio expressed his ongoing opposition to red light cameras.

(b) Alex Zimmerman, StandUP-America, characterized local government as hypocrisy. He said that longer terms for elected officials and government management foster corruption.

Mr. Zimmerman said he has been expecting a response on an issue from the Acting City Manager since 2013. He has had trouble with the Bellevue Police Department for 25 years, and they evicted him from his apartment the previous week. Mr. Zimmerman asked for change in City government, including question and answer forums with the City Manager.

- (c) Marty Nizlek, representing the Washington Sensible Shorelines Association (WSSA), thanked each Councilmember for meeting with their members. The WSSA believes that the draft Shoreline Master Program (SMP), as recommended by the Planning Commission, is environmentally sensitive and balanced. He said shoreline residents represent less than three percent of Bellevue's single-family parcels. He said the update has been a long process. During that time, the State has clarified that: 1) not all shorelines are critical areas, 2) the goal of the Shoreline Management Act is to protect existing ecological function and not necessarily to restore shorelines to some previous condition, and 3) legally developed improvements can be considered as conforming. Mr. Nizlek left written material for the Council and staff.

4. Study Session

- (a) Council Business and New Initiatives

[There were no reports.]

- (b) Shoreline Master Program (SMP) Update, Study Session 2 – High-level review of the Planning Commission's Recommendation and Orientation to the State Adoption Requirements

Acting City Manager Brad Miyake opened discussion regarding the Shoreline Master Program (SMP) Update.

Carol Helland, Land Use Director, introduced Lacey Hatch, Assistant City Attorney, and Dick Settle, attorney with Foster Pepper and a Seattle University professor. She highlighted the meeting objectives to: 1) review the updated SMP completion process, 2) orient to the Shoreline Management Act and State adoption requirements, and 3) present a high-level review of the SMP Update transmitted to the City Council from the Planning Commission.

Ms. Helland reviewed the process timeline and SMP completion plan. The Council is scheduled to review the Cumulative Impact Analysis on April 28, and discussions of substantive topic areas will be held in May and June. In late June/early July, a public hearing will be held before the final SMP Update package is adopted and transmitted to the State Department of Ecology.

Mr. Settle provided a history of the Shoreline Management Act and Shoreline Guidelines, and noted that the Council has a great deal of discretion in these matters. The Shoreline Management Act was adopted in 1971 following a Washington Supreme Court landmark case, the Lake Chelan decision, in 1969. The case involved a property owner on Lake Chelan who was sued by his neighbors for adding fill along the shoreline of his property. This was determined to be

unlawful under the public trust doctrine, which states that the public has the right to navigation and recreation on state waters. The fill by the neighbor interfered with those rights.

Mr. Settle described how that case triggered widespread support for environmental protection, which was followed by the adoption of the State Shoreline Guidelines. A voter initiative was presented and approved as the Shoreline Management Act in 1972. The original Guidelines were not reviewed again until the late 1990s, and a new set of Guidelines was adopted in 2000. Several groups challenged these guidelines and appealed to the Shoreline Hearings Board, which held them to be non-compliant with the Shoreline Management Act. The State subsequently hired three legal experts, including Mr. Settle, to mediate and reconcile the interests of a broad range of entities, which ultimately reached a consensus on a new set of Shoreline Guidelines.

Mr. Settle said the State Shoreline Guidelines, adopted by the state legislature, are the most extensive constraints on the City's policy choices with regard to the Shoreline Master Program. He said the development of the Guidelines involved a great degree of compromise in balancing the utilization and protection of the shorelines. Mr. Settle said that local governments have discretion in creating their Shoreline Master Programs.

Mr. Settle said the Shoreline Guidelines incorporate the concept of no net loss of ecological function. He observed that no "net" loss implies there can be tradeoffs. However, the Shoreline Guidelines do not define ecological function or the potential tradeoffs.

Mr. Settle said there is a lack of precision in the law, yet the City has the daunting task of trying to satisfy the standards of the Guidelines and the law in its Shoreline Master Program. The City must also prepare a Cumulative Impacts Analysis to demonstrate that the SMP will achieve no net loss of ecological function. It is difficult to predict how the State and/or Courts will interpret local regulations. Mr. Settle said he believes the City has a great deal of discretion but it must also decide what level of legal risk might be involved in the final SMP.

Ms. Helland said there is a lack of clarity because there is no prescriptive requirement to meet. The Planning Commission knew this and was careful about maintaining balance in its choices and in the draft SMP Update. The Council's job is to review the draft and determine whether changes should be made. Ms. Helland said she is confident the City, in working with Mr. Settle, will be able to make a good argument in support of the appropriate regulations and tradeoffs for Bellevue.

Mayor Balducci thanked Mr. Settle for the history and overview of this policy area.

Ms. Helland referred the Council to an outline of the recommended Shoreline Master Program, which is provided beginning on page 4-9 of the meeting packet. She explained that each heading corresponds to tabs in the Council's notebooks. She said the purpose that evening was to provide a general overview of the plan recommended by the Planning Commission.

Responding to Mayor Balducci, Mr. Settle said that, if the State disagrees and/or disapproves the City's SMP, the City would need to do additional work until the State approves or the City could appeal the disapproval to the Growth Management Hearings Board.

Councilmember Robertson clarified that Shoreline Master Programs are typically negotiated between local jurisdictions and the State DOE.

Continuing, Ms. Helland said the Council's binders include a current version of the Shoreline Master Program Element policies of the Comprehensive Plan as well as Land Use Code Section 20.25E. She said both Lake Washington and Lake Sammamish are designated as shorelines of statewide significance.

Ms. Helland said the Planning Commission wants predictable standards and asked that the shoreline be measured from a specific elevation point. That method was in the City's Code several years ago but the State Department of Ecology asked the City to change it. The Planning Commission is asking staff to make another run at defending that static elevation line which is identified in the recommended SMP Update.

Ms. Helland described the types of shoreline environments including the land below the ordinary high water mark, urban conservancy (i.e., active beach parks), urban conservancy open space, shoreline residential (which is the bulk of Bellevue's shoreline area), shoreline residential canal (i.e., Newport Shores), and the recreational boating environment. Ms. Helland noted Section 20.25E.030, Shoreline Use Charts, and said that anything not specifically identified as a shoreline use is prohibited.

Ms. Helland highlighted topics covered by Section 20.25E.040, Nonconforming Shoreline Conditions, and Section 20.25E.050, Dimensional Requirements.

Ms. Helland said that compliance with LUC Section 20.25E.060 is intended to equate to compliance with the concept of no net loss of ecological function. She said this is similar to the approach taken with the Critical Areas Ordinance. As long as development stays within this "safe harbor," the use can be permitted. Ms. Helland noted that Bellevue followed the City of Mercer Island in this approach. She said there is flexibility to depart from the safe harbor, however, through a shoreline special report, variance, or conditional use permit process.

Councilmember Robertson said she likes the safe harbor concept because it allows property owners to complete projects without having to hire a group of experts or consultants to establish compliance.

Continuing, Ms. Helland noted additional sub-sections of 20.25E.060: archaeological and historic resources, critical areas in the Shoreline Overlay District, parking/loading space, maintenance access, public access, signage, vegetation/landscaping, water quality, stormwater, and nonpoint pollution. Under water quality, the City added language to acknowledge that responsibility for the control of water quality, stormwater, and nonpoint source pollution is not just an obligation for shoreline property owners.

Responding to Councilmember Robinson, Ms. Helland confirmed that the water quality, stormwater, and nonpoint source pollution regulations do apply citywide. Staff will demonstrate

to the State that the City has other citywide standards and programs that address water quality, beyond the shoreline regulations.

Councilmember Robertson said she appreciates that approach because water quality is a watershed issue. She said one of the biggest polluters for Lake Sammamish is runoff from I-90. Even if no one lived on the lake and it was returned entirely to native vegetation, the freeway pollution would still be going into the lake.

Deputy Mayor Wallace questioned whether the Cumulative Impact Analysis could also be considered a cumulative benefit analysis. Ms. Helland said yes, impacts can be either negative or beneficial. The SMP Update will describe the types of federal, state and local regulations the City applies elsewhere within the Code that contribute to ecological function.

Mr. Wallace observed that the City's stringent Stormwater Code, for example, leads to an enhancement of ecological functions citywide. Ms. Helland confirmed that the SMP references other regulations that benefit the shoreline condition.

Councilmember Robertson questioned whether The Watershed Company, which is performing the Cumulative Impact Analysis, has been given documentation about the City's programs within the Utilities Department and the Transportation Department that benefit the environment and water quality. Ms. Helland said the consultants are conducting both a regulatory and program analysis.

Moving on, Ms. Helland said the Planning Commission spent most of its time discussing Section 20.25E.065 (16 pages) on Residential Shoreline Regulations. Those issues will be discussed in greater detail with the Council in the near future. The Cumulative Impact Analysis will be presented on April 28 by The Watershed Company.

The remainder of LUC 20.25E is: 20.25E.070, Specific Use Regulations; 20.25E.080, Shoreline Modifications; several sections on procedures and types of decisions; several sections on permits; and sections on administration, enforcement, and definitions. Additional documents in the Council's binders are the restoration plan, maps, and comments from the Environmental Services Commission and from the Parks and Community Services Board. Light rail information and the Cumulative Impact Analysis will be added in two weeks.

Ms. Helland said the Planning Commission concurs with the process of Council approving the Shoreline Master Program as a Resolution as opposed to an Ordinance. This would trigger negotiation with the State Department of Ecology, and the final SMP Update will be adopted by Ordinance.

Responding to Councilmember Chelminiak, Ms. Helland said the DOE will likely hold its own public hearing on whatever plan it approves for the City. In further response, Ms. Hatch said the DOE would need to review any substantive changes made later by the City.

Councilmember Chelminiak expressed concern about obtaining approval by the DOE and then someone thinking of one more thing he or she would like to add/change when it comes back to the Council to be adopted as an Ordinance.

Councilmember Robertson said she sees a benefit to approving the draft plan first as a Resolution, and adopting it later as an Ordinance, because that makes the effective date clear. She said it also would be uncommon for the DOE to not make at least one change to the City's plan.

Ms. Helland offered another consideration. If the Council were to approve the draft SMP and conformance amendments as an Ordinance, that would delete all of the sections of the currently applicable Shoreline Code, but the SMP would not go into effect until the DOE approved it. That would leave a gap in regulations for the short term.

Responding to Councilmember Robertson, Ms. Helland said staff will conduct a constitutional analysis of the SMP Update.

Mayor Balducci summarized that this process requires balancing a number of priorities and objectives. She recalled that, with the Critical Areas Ordinance, the Council did make changes to what was recommended by the Planning Commission. She believes this resulted in a compromise that worked well for the community.

At 8:30 p.m., Mayor Balducci declared a short break.

The meeting resumed at 8:36 p.m.

(c) Bellevue Transit Master Plan – Draft Transit Capital Vision Report

Mr. Miyake introduced discussion of the Bellevue Transit Master Plan, which was initiated by the Council in July 2012 as an update to the City's 2003 Transit Plan. At that time, the Council approved project principles to guide the Transportation Commission in overseeing this process. The Service Vision Report was completed last fall, and the purpose of this presentation is a discussion of the Draft Capital Vision Report.

Franz Loewenherz, Senior Planner, said tonight's report will inform the Transportation Commission's final Capital Vision Report. Staff will return on May 19 with the Draft Transit Master Plan Report, which consolidates the service, capital, and policy elements of the project. A June 26 public hearing is scheduled with the Transportation Commission, and Council adoption of the Transit Master Plan Report is slated for adoption on July 7.

Mr. Loewenherz summarized the community outreach process for updating the Transit Master Plan which included the involvement of corporations, agencies, educational institutions, bus riders and non-riders, and the City's Boards and Commissions.

Transportation Commission Vice Chair Scott Lampe recalled that he and Commissioner Larrivee presented the Commission's transmittal letter to the Council on May 20, 2013, which outlined

support for a set of service-oriented strategies that will lead to the abundant access of transit services. The Transit Service Vision Report was released October 2013. Mr. Lampe said the Transportation Commission has worked during the past six months to identify the frequent transit network and capital-oriented strategies.

Mr. Lampe said the Commission worked with Transpo Group, the project consultant overseeing the micro-simulation travel demand modeling work. During the Council's November 12, 2013 meeting, the Council asked the Commission and staff to consider how the policy framework would translate into practical, achievable strategies in the near term and establish a foundation for longer term improvements through the 2030 plan horizon. Transportation Commission representatives and staff are here tonight to respond to this request.

Mr. Lampe said the Transit Capital Vision Report (March 2014) considers the types of infrastructure that support productive, accessible, and efficient transit services, and recommends investments that would help the City realize its proposed 2030 FTN (Frequent Transit Network). Capital elements include arterial HOV lanes, transit signal priority, commuter parking facilities, shelters, pedestrian and bicycle infrastructure, and a number of other elements. Mr. Lampe said the projects in the capital report are conceptual in nature and final design details will be developed in the future.

Commissioner Vic Bishop described how projects were ranked as high, medium, or low impact depending on the value they bring to improving transit speed and reliability on FTN corridors. He described proposed projects in North Bellevue and in South Bellevue, some of which are already in the City's Capital Investment Program (CIP) Plan or Transportation Facilities Plan (TFP). He said the NE 6th Street extension is important because implementation of the 2030 FTN route structure depends on that project's completion.

Mr. Bishop identified improvements on 116th Avenue NE that would have a high positive impact at a low/medium cost level. He described a proposal for eastbound peak period HOV-only lanes on Main Street and NE 10th Street between Bellevue Way and 112th Avenue NE. This concept was considered somewhat controversial because it would convert general purpose lanes to HOV usage, and the degree of improvement was found to be relatively minor compared to the improvements anticipated by other projects.

Mr. Bishop highlighted projects in South Bellevue including Bellevue Way from I-90 to the Y at 112th Avenue SE and access to Bellevue College from 142nd Place SE and 148th Avenue SE. Three high priority projects are one of the Bellevue College connections, turn lane and signal timing improvements at Coal Creek Parkway and 119th, and improvements to existing transit signal priority operations at the South Bellevue Park and Ride lot.

Commissioner Janice Zahn described the consideration of transit signal priority (TSP) treatments. She said a certain number of candidate projects were identified. Near-term projects are signalized intersections served by Route 271 and the RapidRide B Line that have not been eliminated by the early feasibility screening. She said the Transportation Commission determined that 14 intersection locations should be eliminated from consideration because light pre-emption would cause unacceptable delays to cross traffic.

Ms. Zahn described the need for Park and Ride facilities and the need to better balance the use of lots along I-90. Several lots east of Bellevue are under capacity. Metro's leasing of lots at churches is one alternative for providing additional capacity. She noted that land use permitting for transit leased lots varies by jurisdiction. Some cities identify this as an allowable use, while the City of Bellevue's Land Use Code requires applicants to secure an accessory conditional use permit. The Transportation Commission suggests that the City evaluate this topic further as part of a future Land Use Code amendment.

Ms. Zahn described a proposed project at 142nd Place SE and Snoqualmie River Road to improve access to Bellevue College. This involves roadway and other improvements to support very frequent transit service including a stronger road surface, sidewalks, bike facilities, bus stops, parking, and non-motorized improvements to the 142nd Place SE bridge.

Ms. Zahn said Sound Transit staff recently agreed to include this facility in its long-range plan, making this project eligible for consideration as part of the ST3 funding package. Bellevue's Eastgate/I-90 Citizens Advisory Committee identified this project as a catalyst for redeveloping the area and providing a multi-modal corridor.

Councilmember Robinson expressed strong support for the Bellevue College proposal and the usage of leased lots as Park and Ride facilities. However, she does not envision Main Street's use of HOV lanes as reflected in the proposal described earlier. Commissioner Bishop confirmed that this was a low priority project

Ms. Robinson commented on the creation of transportation corridors and retail corridors in Pasadena. She likes that concept and would like to preserve Main Street as a retail corridor.

Mr. Bishop said the Transit Master Plan identifies a number of streets by usage. The two primary transit streets are 108th Avenue from Main Street to NE 10th Street and NE 6th Street from 108th Avenue to I-405.

Deputy Mayor Wallace noted page 4-30 of the meeting packet [Page 8 of the Capital Vision Report Executive Summary], which refers to the Development Lot where all transit trips begin and the pedestrian/bicycle environment. He questioned the connections between those two entities, as well as to transit stops. He questioned how suburban transit users are to connect to transit services.

Commissioner Bishop said leased Park and Ride lots are intended for usage along the FTN corridors.

Mr. Wallace observed that Park and Ride lots are key to transit use, especially for the Eastside. He said this is a common topic of discussion among Eastside cities, businesses, and others. He believes this element is missing from the Transit Master Plan.

Commissioner Zahn referred to information in the Transit Stop section of the Capital Vision Report which identifies 36 potential leased lots within one-quarter mile and one-half mile of the FTN.

Deputy Mayor Wallace suggested reviewing Bellevue's requirement that leased lots obtain conditional use permits.

Mr. Wallace noted the ideas of queue jumps, transit signal priorities, and bus lanes, and questioned how the Transportation Commission balanced those with the concept of vehicle usage. He noted that 90-95 percent of trips citywide occur with cars. He said the Council spent four years fighting to keep light rail off City streets because the right-of-way is needed to support projected growth, especially in the Downtown.

Mr. Loewenherz said the Commission considered that issue. For example, the proposal for 116th Avenue NE compared person throughput to vehicle throughput during the PM peak period, and was found to have a high beneficial impact.

Commissioner Bishop commented on the Commission's review of projected levels of service at intersections through 2030. He said most of the proposed projects add lanes/new capacity for transit service. Mr. Wallace said he would not support the Main Street proposal using HOV lanes.

Responding to Mr. Wallace, Commissioner Zahn said the low priority/benefit projects are not likely to be implemented. However, the report documents the range of ideas that were studied and considered.

Deputy Mayor Wallace said he appreciates the report and the Commission's work. However, he would like to understand the implications, for future mitigation discussions, of keeping low priority/impact items in the report.

Councilmember Robinson said the Main Street proposal is actually a medium impact/priority project. Mr. Bishop concurred.

Mayor Balducci said that, when the Council adopts plans, there are potential ramifications for adjacent property owners. Mr. Wallace confirmed that that potential is his concern. She suggested a clear understanding of the implications of keeping low priority projects in the Transit Master Plan before it is adopted by the Council. However, she understands the importance of demonstrating what was studied and evaluated.

Councilmember Chelminiak suggested a counterpoint; that if projects are removed now, it might not be possible to ever get them back on the list for consideration.

Mr. Chelminiak thanked the Transportation Commission for the report. He observed that it is a positive step forward in recognizing the important role of transit services for the Downtown and citywide. He shares Deputy Mayor Wallace's interest in reviewing the current requirement for a

conditional use permit for leased lots. Mr. Chelminiak agrees with the importance of considering person throughout when comparing projects.

Councilmember Chelminiak said he has concerns about Bellevue Way SE projects. Mr. Bishop said these were not mentioned because they are in the existing Transportation Facilities Plan (TFP) and they are the base model for the Downtown Transportation Plan update. Mr. Chelminiak said he continues to have issues related to those projects.

Councilmember Stokes thanked the Transportation Commission and staff for the report. He commented on the challenge of balancing Bellevue's car-intensive history with increased transit usage. He noted that individuals will continue to use bus transit in and out of Bellevue even after light rail is implemented. He agrees with the need for commuter parking facilities and suggested it might be helpful to expand that section of the report [Page 15 of the Executive Summary]. Mr. Stokes said he strongly supports the proposals for access to Bellevue College.

Councilmember Robertson thanked the Transportation Commission for its work. She expressed support for expanding the use of leased lots. She noted that Councilmembers did not receive the full Transit Capital Vision Report tonight so she is commenting from the Executive Summary provided in the meeting packet.

Ms. Robertson questioned whether the capital proposals are anticipated as budget requests in the current budget cycle.

Mr. Loewenherz said that adoption of the Bellevue Transit Master Plan by the Council is requested for July 7. However, the projects are conceptual in nature at this point and staff is exploring the feasibility of key ideas.

Ms. Robertson referenced page 6 of the report's Executive Summary [Page 4-28 of meeting packet]. Under Figure 6, priority 3 states that "high-ridership frequent transit deserves a higher priority than low-occupant private vehicles in access to limited road capacity." She observed that this is inconsistent with the emphasis on people throughput and not vehicle throughput. Mr. Loewenherz said Figure 6 reflects themes identified during a workshop with the Boards and Commissions.

Councilmember Robertson said she concurred with her colleagues about the importance of Park and Ride lots. She questioned whether staff or the Transportation Commission have looked at the impact of Park and Ride lot capacity and locations, outside of Bellevue, on Bellevue traffic. She said some jurisdictions are more enthusiastic about Park and Rides than others, and they provide a benefit for everyone in the region.

Mr. Loewenherz said the Capital Vision Report contains approximately 20 pages addressing commuter parking, as well as extensive documentation in the appendices regarding demand along the I-90 and I-405 corridors for 2030.

Mr. Bishop noted that the leased lot approach is focused on providing access to transit for Bellevue residents who want to travel to Downtown Bellevue. He contrasted that to the purpose of the regional Park and Ride lots (e.g., Eastgate).

Councilmember Robertson questioned the consideration of other transportation modes including taxis, vanpools, ride shares, and private transit. Mr. Loewenherz said those items were not part of the discussion in developing the Transit Master Plan.

Responding to Ms. Robertson, Mr. Bishop said the 116th Avenue NE project is the only one other than Main Street and NE 10th Street that repurposes general capacity lanes to HOV usage. Ms. Robertson concurred with Councilmember Wallace's comments about light rail and the Council's interest that it not give up general purpose lanes for light rail use. She said the Council has had a similar discussion about I-405 and not wanting to see general purpose lanes turned into HOT (high-occupancy toll) lanes.

Mr. Loewenherz noted that plans for the 108th Avenue NE corridor are still unclear from the Downtown Transportation Plan.

Responding to Ms. Robertson, Mr. Bishop said the evaluation of candidate projects included careful consideration of their impact on the broader transportation network.

Councilmember Robertson thanked the Commissioners and staff for the report.

Noting the time, Mayor Balducci said Item 4(d) regarding the multifamily tax exemption would be postponed to a future meeting.

Councilmember Lee thanked the Commission and staff for their extensive work. He expressed support for the Bellevue College proposal.

Mr. Lee noted slide 27 of the presentation, which shows transit services connecting activity centers citywide. He questioned whether the proposed projects improve transit access from neighborhoods.

Commissioner Bishop said the Transit Master Plan focuses primarily on the Frequent Transit Network (FTN), but that is not the only transit network.

Mr. Loewenherz noted that the graphic on slide 27 is the report cover for the 2003 Bellevue Transit Plan. He said the current plan update is striving, to a large extent, to provide similar connections that move more people to reach more destinations in less time.

Councilmember Lee said it would help to have a bigger picture of where Bellevue fits into the larger regional network.

Mayor Balducci suggested that a map in the Service Vision Report reflects the broader network. Mr. Loewenherz noted the map of the 2030 FTN.

Mayor Balducci asked staff to develop a visual tool that might better reflect the context of Bellevue's transit master plan within the broader regional transit network.

Mayor Balducci commended the report for its use of performance data to guide the recommendations and priorities needed to support the Frequent Transit Network. She appreciates that the Commission considered transit projects within the broader context of the overall transportation system. She thanked all of the Commissioners for their work.

Commissioner Bishop said the plan triples transit ridership citywide by 2030.

Ms. Balducci said this work has been used in the past to advocate for added bus service for Bellevue. She observed there are no recommendations along 156th, 148th or 140th Avenues south of NE 8th Street.

Mr. Loewenherz said this work involved looking at all previous planning efforts, which included the 148th Avenue Mobility Improvement Program. He observed that what is included in the report are projects that will provide the highest positive impact.

Mr. Bishop said a number of projects dropped out of the analysis because they did not rate very high in terms of citywide mobility. He said more details are provided in the full report.

Ms. Balducci expressed strong support for the Bellevue College proposal.

Mayor Balducci thanked everyone again for their work and for staying so late for the meeting.

Commissioner Zahn thanked staff for all of their work with the Transportation Commission.

→ Councilmember Robertson moved to extend the meeting to 10:15 p.m., and
Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

At 9:55 p.m., Mayor Balducci declared a short break.

The meeting resumed at 10:03 p.m.

(d) Multifamily Tax Exemption Discussion

[Postponed to allow Item (e) to be addressed.]

(e) NE 4th Street Property Acquisition Settlement Agreements

Mayor Balducci introduced discussion regarding settlement agreements for the NE 4th Street transportation project. She noted this is one of the City's highest priority projects. Copies of the applicable Resolutions are included in the Council's desk packet.

Kate Berens, Deputy City Attorney, said the Council is asked to approve two settlement agreements for the acquisition of property needed to complete the NE 4th Street project between 116th Avenue NE and 120th Avenue NE. Resolution No. 8729 represents the acquisition of property rights needed for Phase 1 of the project, and Resolution No. 8730 represents property rights needed for Phase 2.

→ Councilmember Robertson moved to:

Approve Resolution No. 8729 authorizing execution of a Settlement Agreement with Bellevue 116th Avenue, LLC, for acquisition of property rights necessary for Phase 1 of the NE 4th Street Extension Project, in the amount of \$6.2 million as the City's last best offer, and withdrawing this offer of settlement if not accepted by 5:00 p.m. on May 5, 2014; and,

Approve Resolution No. 8730 authorizing execution of a Settlement Agreement with 457 120th Avenue NE, LLC and Best Buy Store, LP, for acquisition of property rights necessary for Phase 2 of the NE 4th Street Extension Project, in the amount of \$12.84 million as the City's last best offer, and withdrawing this offer of settlement if not accepted by 5:00 p.m. on May 5, 2014.

Councilmember Stokes seconded the motion.

Councilmember Robertson said the City has been working on this project, one of the City's highest priority projects, for a long time. The City has been negotiating with the parties for some time to reach an agreement for acquiring the properties. It is time to conclude those negotiations. The settlement terms of the City's last best offers fairly reflect the impact and benefit of this project on the property owners.

Ms. Robertson noted that the dollar amounts are more than the City would like to pay. However, the project needs to move forward in order to retain grants funds for the project. If the settlement offers are not accepted, there will be significant project impacts and the City would need to reevaluate its position with respect to the settlement. She believes it is in the best interest of all parties to keep the project moving forward.

Deputy Mayor Wallace expressed support for the motion. While the settlements reflect a large price tag, he noted that the project provides significant benefits for the City's transportation network. This infrastructure supports private businesses which provide jobs, new shopping opportunities, and sales tax revenues. He believes it is important to retain the Best Buy store.

Mr. Wallace thanked staff for their hard work on these complicated agreements.

Councilmember Lee expressed support for the settlement agreements related to this important project connecting Downtown Bellevue to the Wilburton and Bel-Red areas and farther east. He said it is time to conclude the negotiations and he supports the agreements as the City's last best offers. He believes the agreements benefit both the property owners and the City.

Councilmember Stokes concurred with his colleagues' comments and expressed support for the settlement agreements. He wants to move forward with the completion of the NE 4th Street project.

Councilmember Chelminiak said the NE 4th Street project became a top priority because it is a critical link to other transportation projects in the Wilburton and Bel-Red areas. He commented that the City has gotten very close in negotiations before, to then be faced with new demands for more money from the property owners. He noted that this occurred as late as 5:30 p.m. tonight. He is ready to conclude negotiations. He is inclined to vote against the settlement agreements, but he will support the motion in order to move the project forward. He said the City has been more than reasonable, but is doing so within its fiduciary responsibility.

Councilmember Robinson said she believes this is a good faith offer by the City and she would like to move forward with the project.

Mayor Balducci said she fully understands the importance of the NE 4th Street project and shares in the desire to complete it. She noted that reasonable minds can differ, and she is not as unsupportive as she is about to sound. However, she will vote against the motion. She would like to go on record as saying that elements were injected into the settlement negotiations that go far beyond the City's obligations when condemning properties for a project.

Ms. Balducci said the City has been very flexible and has redesigned the project a number of times. The Council has had multiple executive sessions on the property acquisitions. She supports the overall transportation project but believes the settlement offers go too far.

→ The motion carried by a vote of 6-1 with Mayor Balducci opposed.

Mayor Balducci said the temporary room is in use for Council meetings while upgrades are made to the Council Chamber and Council Conference Room. She noted the extensive crew need to produce and broadcast the meetings and thanked them for their work.

Mayor Balducci declared the meeting adjourned at 10:14 p.m.

Myrna L. Basich, MMC
City Clerk

/kaw